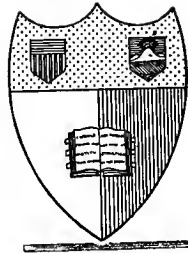


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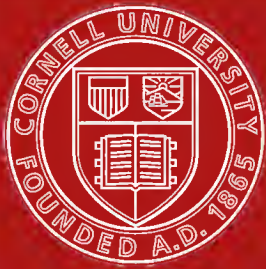
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PROTECTION AND PROSPERITY

AN ACCOUNT OF TARIFF LEGISLATION AND ITS
EFFECT IN EUROPE AND AMERICA

BY

GEORGE B. CURTISS, ESQ.

COUNSELOR-AT-LAW

"A nation, whether it consume its own productions, or with them purchase from abroad, can have no more to spend than it produces. Therefore, the supreme policy of every nation is to develop its own producing forces."—*Sir John Barnard Byles.*

PAN-AMERICAN PUBLISHING COMPANY

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1896

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PREFACE.

In his boyhood days the author became fascinated with the study of the civil and political history of nations. Inspired by the few books which were obtainable during early years, spent on a farm in the State of Illinois, he continued the study after being admitted to the bar, and during the spare hours and evenings of an active practice in the civil and criminal courts of the State of New York.

During the campaign of 1880, when the question assumed prominence as the chief issue between the Republican and Democratic parties, a systematic investigation of the question was begun. The reading of one book led to the study of others, until, provided with all the leading works upon both sides of the question, the author early discovered that while the political literature of the United States was most complete with speeches, pamphlets and books, and the scientific phases of the subject had been fully discussed by able and critical writers, yet there was still a large field left unexplored. It has been claimed by many that there is nothing new to be said upon the tariff question, yet the following volume presents nearly six hundred pages dealing with the tariff history in foreign countries, which, for the most part, has not hitherto been systematically treated.

In his investigation the author found that there was no treatise in the English language giving a history of the tariff legislation of Germany, France, Russia and all Continental countries; that no protectionist had investigated the history of Great Britain and given to the world an account of the growth and development of her industries and tariff legislation, written from a protective point of view, and that the unwise policy pursued by the United Kingdom in adopting free trade remained practically unchallenged.

Since the adoption of the Constitution in 1789, the tariff policy of the United States has fluctuated between adequate protection and low duties. Although at times the duties were so reduced as to reach nearly a revenue basis, yet at no time had a consistent free trade policy been pursued. With vast resources and opportunities, and economic conditions differing from those of other countries, it was difficult to measure accurately the wisdom or folly of free trade dogmas, upon the information drawn wholly from the experience of this nation. While it could easily be shown that our country has enjoyed great prosperity and made rapid advancement under the stimulating influences of protective tariffs, and that periods of low import duties have in each instance arrested progress and plunged the country into bankruptcy and business depressions; yet it was found that in the face of this experience the alleged beneficial results of free trade in England were constantly pointed to by its advocates, as proof of its wisdom.

The author also discovered that the only test of free trade principles for any considerable length of time, by a highly civilized and great producing nation, was to be found in Great Britain, and while Germany, France, Russia and other Continental countries had, for short periods, reduced duties on imports and approached a revenue basis, yet they soon returned to the protective system.

The necessity, then, became urgent for a critical investigation of the effect of free trade in Great Britain, and of the results achieved under the protective policy which had previously been pursued as well as of the economic conditions and causes which induced the abandonment of protection and the adoption of the policy of free imports, in order that sound conclusions might be reached. The origin and circumstances under which economic principles were formulated and announced, were conceived to be important, in order that their application to present industrial conditions might be understood.

As a result of such research and after an investigation of the facts bearing upon the subject, extending over a period of nearly fifteen years, the present volume is given to the public. The writer has endeavored to compile and arrange the most reliable statistics and historical facts relating to the fiscal policies of the leading commercial nations. The best thought of the world bearing upon the various phases of the question is reflected in the following pages. An attempt has been made to verify every statement by facts and figures of the most reliable character; yet a work of this kind which treats of a controversial subject, cannot be supported by statements and conclusions which are wholly unchallenged. There is no middle or neutral ground between the policies of protection and free trade. An irreconcilable conflict arises from the fundamental bases upon which the two theories rest, which remains and grows sharper and more clearly defined throughout all phases of the question. The most that a writer can accomplish, who conscientiously and earnestly treats a subject is, to present the truth as it appears to him after a careful and full investigation. This the writer has attempted to do.

This work is dedicated to the Republican party. If its merits are in keeping with the importance of the subject treated, it will be a fitting tribute to the political organization which has ever defended the toiling masses, and with patriotic zeal labored earnestly to promote the welfare of every citizen and every section of our great Republic, standing at all times and under all circumstances as a bold and aggressive advocate and defender of the industrial and commercial interests of the nation.

If space would permit it would gratify the writer to make special mention of the aid he has derived in the preparation of this work from the many patriotic defenders of the cause of protection who have so ably treated various phases of the question; yet the work abounds in quotations which are accredited to their respective authors. It is incumbent, however, upon the writer to make special mention of the invaluable assistance in the compilation of historical and statistical matter upon the tariff question in the United States, which he has received from Mr. F. B. D. Curtis, formerly editor of the *American Economist*.



Binghamton, N. Y., February 22, 1896.

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INTRODUCTION

BY HON. WILLIAM MCKINLEY, HON. LEVI P. MORTON,
HON. THOMAS BRACKETT REED.

I.

The experiences of states and of nations are of far more value in solving the perplexing economic questions which confront us than the boldest assumptions of theorists. An eminent English economist of the latter day school not long since took the courageous stand that no mere theorist had a right to expect intelligent people, who investigated for themselves, to believe implicitly in theoretical political economy when confronted by practical men who had at their finger ends facts, history and statistics which pointed in the opposite direction. That this same professor should frankly avow in the article on Political Economy in the *Encyclopædia Britannica* that the widespread dissatisfaction with the existing state of economic science made it inexpedient to attempt a new dogmatic treatise on political economy, indicates much difference of opinion and uncertainty in matters that we were once told by British economists were as settled as the laws of gravitation. The fact is political science, like all other branches of human knowledge, is more or less in a transient state, and free and full discussion by sober and intelligent men is sure to yield valuable results. More particularly is this true when the discussion is illuminated by such an array of data from all sources as may be found in this volume. Those of us who believe the American policy of protection is best adapted to our citizenship and civilization are naturally glad to welcome the experiences of other nations when they sustain, beyond the question of doubt, the judgment of our own people, though our own belief is sustained by the highest American authorities from Washington down and by a hundred years of experience. We know what it has already accomplished for a self-governed people.

The world knows of the wonderful progress we have made. The experience of the United States in diversifying industries and developing its home market has contributed more or less to the growing disregard for the maxims of schoolmen and theorists and increased the value of the unimpeachable testimony of trade and experience.

The scope of this volume practically covers the history of the world's trade and commerce. The author has undoubtedly devoted years of patient research to gathering and arranging his material and presenting his argument. After a careful examination of the results of this stupendous piece of work the fair-minded American student and reader will close the book with the conclusion that in our own American policy we have nothing to take back, nothing to apologize

for. Under similar conditions our experience has been precisely the same as the experience of other nations. In some ways it has even been England's own experience. A low tariff or no tariff has always increased the importation of foreign goods until our money ran out; multiplied our foreign obligations; produced a balance of trade against the country; supplanted the domestic producer and manufacturer; impaired the farmer's home market without improving his market abroad; undermined domestic prosperity; decreased the industries of the nation; diminished the value of nearly all our property and investments; and robbed labor of its just rewards. The lower the tariff the more widespread and aggravated have been these conditions which paralyze our progress and industries. This is the verdict of our history, and, as the author of this valuable work demonstrates, with a clearness that should carry conviction, it has been the verdict of history in the case of other nations, if facts and figures may be relied upon to point out such results.

We try nations as they appear on the balance sheet of the world. We try systems by results ; we are too practical a people for theory. We know what we have done and are doing under the economic system we advocate. For this reason alone the labor performed by the author of *Protection and Prosperity* is justified and the results will be of permanent value. Fortunately it is written in a clear plain style so that all interested in the important question discussed can comprehend economic propositions which too often have been presented in such an obscure manner that only those learned in the science could understand them. It is a book that may well be read and studied in the home, for it deals with issues that affect every household in the land and which each and every voter should know about and comprehend for himself. The value of such an exhaustive work to students comes from the fact that the author shows in the logical order pursued the economic conditions which suggested and brought into existence protective principles, and has given the historical origin of the essential principles. While writing from the protective standpoint there is no indication of any hobby or new scheme of political economy. The apparent endeavor is to show what the experience of business men and the practices of nations have proven to be wise, just and beneficent ; that the principles of protection had their origin with the institution of society and governments, and are a necessary part of that policy under which civilization has advanced.

There are numerous books on the tariff and kindred questions, but I recall no work that even attempts to cover the field marked out by Mr. Curtiss.

In one sense it is a commercial history of the world, and no one could read it without forming a clear idea of the drift of the world's trade and commerce since the fourteenth century. From another point of view it is one of the strongest presentations of the views of those who believe that the question of finding employment for the people in diversified industries, of elevating citizenship and improving home life lies at the base of the science of economics. The author, in this instance, does not wait and bring us gradually to the point where we part company with the free trader, but he thus boldly announces it in the first chapter:

“No prominent and permanent nation has yet neglected the development of its resources, and the cultivation, to the highest degree possible, of its own natural products, and the fullest employment of its labor, without suffering a severe penalty. The people of no nation in the history of the world has ever prospered under a policy which sacrificed its home industries to build up and develop the resources and give employment to the labor of foreign states. The controversy upon these questions has arisen out of the distinctions stated. Those advocating the doctrine of free trade teach that the prosperity of nations, regardless of their situation or economic conditions, can most surely be promoted through foreign exchanges; while the advocates of the doctrine of protection believe that countries with a great diversity of natural resources can become more prosperous, their people reach the highest social condition, greatest independence and prosperity, by the encouragement and development of native resources; holding also that foreign exchanges should be treated only as a part of an industrial system, having for its basis the employment of the labor and capital of a country in domestic production and exchanges.”

With this unhesitating declaration of sound principles the author begins his story by pointing out the general division of trade and commerce. The industrial history of nations of antiquity up to the eleventh century, or as much thereof as may be deemed pertinent to the discussion, is unfolded. The narrative then in succession points out the circumstances under which the Italian cities, the league of German cities in central and northern Europe, as well as the Dutch and Flemish, developed their trade, commerce and industries during the Middle Ages. The commercial history of these cities is brought down to the year 1650. The commercial history of England is next taken up, from the time of the Roman invasion, and in about three hundred and fifty pages brought down to the present time. It is worthy of note that England pursued a policy of free trade up to nearly the fifteenth century, relying upon the Italians and Dutch for all implements, tools and clothing; that even the wholesale and retail trade of the country was monopolized by aliens; that as long as this condition prevailed no industrial progress is found to have taken place; that the first steps toward a domestic industrial policy is found in a revolt on the part of English merchants in some of the cities against the competition of alien merchants, which resulted in their exclusion from the wholesale and retail trade of the country. This was followed by the granting of charters to Trade Guilds, which became industrial training schools for the building up of an artisan class; and the adoption of legislation which secured to them the home market by excluding the import of a large number of tools, implements and various fabrics; that a vigorous policy of protection was entered upon during the reign of Queen Elizabeth, which was continued and applied with great vigor until 1846. The encouragement given to shipping, fisheries, and the establishment of trading companies, induced the building of a merchant marine and the establishment of foreign trade; while the protection given to domestic industries stimulated and fostered the commercial and industrial classes and the establishment of manufactories, until Great Britain

became the workshop of the world. While these facts have been pointed out in a general way, the historical details, from a protectionist point of view, have not been so connectedly and fully presented in any other work which has come under my notice.

The historical facts as herein presented leave little doubt that it was through the policy of protection that Great Britain became the richest and most powerful nation on the globe. It is well to bear in mind that as a rule the advocates of free trade have almost exclusively been the chroniclers of this period of England's industrial history. They have handled these facts so often and so absolutely to their own liking that the author has pointed out with clearness how grievously the truth has been distorted. Mr. Curtiss seems to have his facts well in hand and one of the most satisfactory features of the book is that he gives without stint his authorities. That there will be controversy over the chapter in which he traces the growth of industries and industrial prosperity from the close of the Napoleonic wars until the adoption of free trade, I have no doubt; but, nevertheless, he has the data well in hand, which he freely submits to the reader to sustain his end of the question. The facts and figures here produced, in a measure at least, refute the oft-repeated misrepresentation of free trade writers that British industries were languishing under protection, and that this was the principal cause which induced the English to abandon their policy. Supported by statistical information, it is shown that the last half century under protection was a period of marvellous growth and development, in the increase of population, the growth of cities, the progress made in agriculture, manufacturing, mining, trade and commerce.

It was undoubtedly the desire for cheapness in production that would enable Great Britain to control the markets of the world that induced the British people to abandon protection and adopt free trade. It may be found in the fact that through the use of machinery, the accumulation of capital, the efficiency of artisans, a vast colonial system, foreign trade and industries, the English people had become in advance of all other nations, and able through a system of free trade to invade all foreign countries with their fabrics; suppress and prevent the establishment of rival industries and control and monopolize the markets of the world. This cry of "cheapness" rang through England fifty years ago. It was the voice and philosophy of Cobden; it was the false and alluring appeal urged for the reversal of Great Britain's industrial policy from protection to free trade. It was the hypocritical cant against which the beloved Kingsley thundered his bold denunciations—that dear and revered churchman, whose memory is cherished wherever the English tongue is spoken. Here is his characterization of it:

"Next you have the Manchester school, from which Heaven defend us! For all narrow, conceited, hypocritical, and anarchic schemes of the universe the Cobden and Bright one is exactly the worst. To pretend to be the workmen's friends by keeping down the price of bread when all they want thereby is to keep down wages and increase profits, and in the meantime to widen the gulf between the workingman and all that is time-honored and chivalrous in English

society, that they may make the men their divided slaves—that is, perhaps, half unconsciously, for there are excellent men among them, the game of the Manchester school.”

The point is well brought out by Mr. Curtiss that it was not the tariff laws on English statute books, but the tariff barriers raised by other countries and restricting British markets, which became the essential cause of England's objection to protection; that the English could not successfully assail protection in other countries until they at first abandoned it themselves; that by repealing their own protective laws which had ceased to be of any benefit to them under the economic conditions then existing, they could proclaim the doctrine of free trade to the world with consistency and with a better chance of breaking down foreign rivals and maintaining their commercial supremacy. The facts undeniably show that this was the great cause which moved the English people to abandon the policy of protection. The history of the free trade movement is carefully traced from its inception to its consummation and forms one of the most interesting and valuable features of this book.

It is a common assertion of free traders that immediately following the adoption of free trade by England in 1846, great industrial progress was made, as shown by increased imports and exports and the expansion of manufactories. The author takes issue with those holding this view, claiming that the progress was not due to the adoption of free trade, but that it was a continuation of that steady industrial growth and development which was inaugurated through protection and had continued for more than two centuries, aided by economic conditions such as the discoveries of gold, the beginning of the period of railroad building, and the substitution of steam for sailing vessels, which also gave an impetus to the industrial life of all great commercial nations. Yet at this time, by reason of the vast accumulation of wealth and the commercial and industrial advantages already acquired through protection, the English people were better fitted to utilize these causes and profit by them than any other nation. However this may be, the great practical success of free trade during the first quarter of a century undoubtedly contributed largely to the prestige enjoyed by the Manchester school of political economy.

The prophecies and assumptions of Cobden and his associates come under review. The assertions which they made as to how their free trade theories would operate when put into actual practice, are shown to have been entirely false; that when France, Germany and Continental countries had built up their vast manufacturing systems under protection and entered the field to contest markets with Great Britain, then for the first time in the history of the world the principles of free trade were put to a practical test. The effect on the labor and industries of the United Kingdom, including agriculture and manufacturing, since they had become subjected through their system of free imports, to sharp competition from Continental rivals from about 1865 to the present time, is then considered at considerable length. The commercial history of England becomes more important since the adoption of free trade because it is the only example we have in recent centuries of a large commercial nation subjecting itself for any considerable

length of time to the unrestricted competition of strong competitors. Great care has evidently been exercised in preparing the data for this part of the work.

Here may be found some of the most valuable tables bearing on these points ever compiled. These tables, showing the increase of imports of competing commodities and the decline of their exports of domestic productions, present an array of important facts to be considered. The injurious effect of this system of free imports upon the labor and capital of the country, is shown by the evidence of British manufacturers and business men given before the Royal Commission on Trade and Industries in 1885 and 1886. In these reports may be studied the destruction of agriculture, the silk and many other industries, the impoverishment of the people, the impairment of their consuming power, the diminution of the home market, the shrinkage in values, reduction of wages, lack of employment, the vast army of idlers and unemployed, the emigration of capital, industries and artisans seeking investment and employment in protected countries, all furnish an array of indisputable facts against which no amount of free trade sophistries and theories can prevail. England is the only country which imposes a tariff exclusively for revenue. This has been her policy for half a century. It has therefore been tried, and under the most favorable circumstances. Is the above picture of her condition inviting to Americans? Is the condition of the great body of her people encouraging, or hopeful, or assuring? Listen to the words of the late Cardinal Manning, written in December, 1890, and published in the Nineteenth Century, an English magazine. No one will question their sincerity and truth:

"There is no doubt that free trade, freedom of contract, buying in the cheapest market and selling in the dearest, are axioms of commercial prudence. They are hardly worthy of being called a science. Nevertheless, this freedom of trade has immensely multiplied all branches of commerce and developed the energies of all our industrial population. But it has created two things—the irresponsible wealth which stagnates and the starvation wages of the labor market. This cheapest market is the market of the lacklands, penniless and helpless. In four of our western counties wages are so low that men come to London by thousands every year, and, being here, crowd the dock-gates and underbid the permanent workmen, who have already reason not to be content with their hire. We have these two worlds always and openly face to face—the world of wealth and the world of want—the world of wealth saying in his heart 'I sit as queen over all toilers and traders,' and the world of want not knowing what may be on the morrow. Every city and town has its unemployed. Millions are in poverty. Agriculture languishes; land is going out of cultivation; trades are going down; mills and furnaces are working half time; strikes run through every industry. Is there a blight upon our mountainous wealth? At this day we have three millions of poor who in the course of the year are relieved in some way by the poor laws."

Does this plain statement from this great Christian teacher and philanthropist, who speaks from knowledge, incline Americans to adopt a policy which has made these things possible and true? Do the conditions he describes offer anything to

the agriculturist of this country better than he has already, or so good; or to the laborer a hope or an aspiration which does not make the heart sick; or to our countrymen generally, whatever may be their occupation, a wish to transplant the want and misery here?

Turning from England and its free trade experiment, the author devotes 150 pages to an interesting examination of recent tariff legislation and the growth of industries in Continental countries. From material drawn from many sources, mostly official, he has constructed a brief history of the tariff legislation and industrial development of France, Germany, Russia, Austria, Italy, and other countries. It is impossible to refer to these chapters in detail in the space allotted for this introduction, but each has its own value.

The chapter on Germany is of special interest. The speeches and economic policy of Bismarck furnish a splendid endorsement of the policy of protection. In fact, the results of protection in Germany, Russia, France and all Continental countries are shown to be very satisfactory. An important point brought out and apparently sustained in every instance by the experience of Continental countries and of the United States, is that where an industrial nation has for a short period reduced its duties and practised, or approached, free trade, the result has been disastrous, and the nation has been compelled in a short time to return to the policy of protection in order to preserve and restore to life its crippled and decaying industries. While, on the other hand, the policy of protection wherever pursued, whether for a short or long period, has imparted life and activity, resulted in the development of domestic industries, thrift, enterprise, prosperity and the accumulation of wealth. Its benefits have ever manifested themselves in the improved condition of the masses. The longer and the more continuously this policy has been pursued, the more steady and vigorous has become the growth and development of all productive industries. The data Mr. Curtiss marshals in support of this view would seem to be reliable and incontrovertible. In short, these chapters in themselves go a long way in establishing that the industrial development and material progress of all nations of the world have been due to the development of domestic resources through protective legislation.

The chapters of the work devoted to the tariff question in the United States are admirable and comprise a complete, although brief, history of the tariff legislation of the United States from and including the colonial period to the present time. The statistical information collected and embodied in this part is official and arranged with considerable skill. Mr. Curtiss, in his investigation of tariff legislation in our own country, from the earliest times to 1860, substantially agrees with a majority of the statesmen, economists and historians who have preceded him. He shows beyond question that the result has not been different from that of other countries when protection has been extended to their industries, or when they have been exposed to the ruinous competition of rivals possessed of superior advantages. The lower the tariff the more widespread and aggravated have been those conditions which paralyze our progress and industries.

Industry and property were excessively depressed from 1784 to 1790, and

again from 1818 to 1824, under the low tariffs then in operation. Also from 1837 to the end of 1842, under the compromise act of 1833, and again from 1846 to 1861, under the free trade tariffs of 1846 and 1857. The depression which prevailed during all these periods was felt in every individual pursuit and national industry. On the contrary the industries and energies of the nation revived as if by magic from 1825 to 1834, under the protective tariffs of 1824 and 1828; and also from 1843 to the end of 1846 under the protective tariff of 1842. Our progress in industrial development and prosperity from 1861 to 1892 finds no parallel in the world's history.

The facts and figures brought together in convenient form in Part VI of the volume will be invaluable for reference and in proving for all time to come exactly what a judicious protective tariff has accomplished for the United States. These data cover nearly every branch of industry and comprise the latest and most reliable statistical information obtainable in all branches of our industrial progress. Thirty years of protection has brought us to the first rank in agriculture, in mining and in manufacturing development. We lead all nations in these three great departments of industry. We have outstripped even the United Kingdom, which had centuries the start of us. As I have said above her fiscal policy for fifty years past has been the free trade revenue tariff policy, ours for thirty-two years the protective tariff policy. Tried by any test, measured by any standard, we lead all the rest of the world. Protection has vindicated itself. It cannot be helped by eulogy nor hurt by defamation. It has worked out its own demonstration, and presents in the sight of the whole world its matchless trophies. It can not be cried down by false names nor injured by offensive epithets nor can it any longer suffer from falsehood, nor the forebodings of the false prophet. It has triumphed over all its traducers at home and abroad. It has made the lives of the masses of our countrymen sweeter and brighter, and has entered the homes of America carrying comfort and cheer and courage. It gives a premium to human energy, and awakens the noblest aspirations in the breasts of men. Our own experience shows that it is best for our citizenship and our civilization, and that it opens up a higher and better destiny for our people.

In the concluding chapter the importance of the development of native resources and industries is emphasized with considerable force. The author rightly concludes that through a diversifying of industries and pursuits increased opportunities are afforded for employment and that what he calls the "spendable income" of the masses is augmented. This is sound doctrine, and recent events have brought it forcibly to the attention of the people of the United States. And moreover this labor must be well paid. The character of its citizenship is of more importance to the Republic than the cheapness of its clothes. Not only must our national policy be one affording the largest opportunities for the masses to obtain employment, but the wages must be sufficient to keep in comfort those engaged in gainful occupations, to enable them to educate their children and lay up something for old age. There must, indeed, be something for the American citizen more than cheap clothes. There must be some higher incentive than a

cheap coat and a bare subsistence. The farmer's products must bring him fair returns for his toil and investment. The workingman's wages must be governed by his work and worth, and not by what he can barely live upon. He must have wages that bring hope and heart and ambition, which give promise of a future brighter and better than the past, which shall promote his comfort and independence, and which shall stimulate him to a higher and better and more intelligent citizenship.

There would seem to be a good reason for the publication of a work of this sort and the author himself supplies it. In a letter to a friend he said that as a lawyer and student of economic questions for many years he was continually struck with what is unquestionably true, namely, that the free trade side of the question had outdone protectionists in the writing of books; that the commercial history of the world had been written from a free trade point of view, and brought out prominently, and put forward as unquestioned, statements which had no real historical basis. He found there was no history of the tariff question in Germany, France, Russia and other European countries from which a student could get even a connected outline of their tariff policies and industrial development. He also found that the growth of industries in Great Britain and their tariff legislation had been written by free traders, and that no protectionist writer had attempted a connected historical review of the industrial development and tariff legislation of the United Kingdom. Of the United States, however, he found an abundance of good books and ably written pamphlets on all phases of the question, yet there was not in any one book a connected historical and statistical account of our tariff legislation and industrial development from the organization of our government to the present time. Mr. Curtiss has undoubtedly carried the statistical information farther than any other writer, and embodied in it a series of tables taken from official sources, which will be of permanent value.

By no means the least of the merits of the treatise is the clear, vigorous and readable style in which it is written, which with the useful lessons it teaches and the multitude of facts it brings together for the first time, make it a book every intelligent American citizen may read with profit. Indeed it is not too much to say that the faithfulness with which the work has been performed should commend itself to the judgment of all loyal and patriotic Americans regardless of party affiliations or previously conceived economic views. It should have wide reading and study.

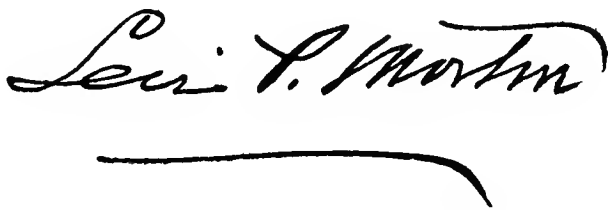
Wm Hinkley

II.

From an examination of the present treatise on protection, I am convinced that Mr. George B. Curtiss, the author, has performed an invaluable service to the people at large and to the political economists and thinkers who are seeking answers to the many questions which the subject involves. Tracing the tariff history of the leading commercial nations of the world, he carries the narrative down to the problems that press for solution in this country to-day. His novel, clear and convincing discussion of the tariff question in Great Britain and Continental countries, deserves the highest praise.

The tariff history of the United States is in such an entanglement of error and misrepresentation that the work of a clear-headed investigator and writer is particularly welcome. The public have hitherto suffered less from lack of information than from the overwhelming mass of confusion and misinformation. Mr. Curtiss does not content himself with bare statements of economic conditions, but he supplies his readers with data upon which to base their conclusions. An examination of some of the tables embraced in his work will do more to clear away the mists that surround the effects of the American tariff policy than would result from the perusal of volumes of campaign literature. By means of facts and figures compiled from what must be regarded as the most reliable sources, he shows that the scaling down of the tariff has invariably been followed by reduction of wages, loss of employment, displacement of capital and financial stringency, and that the reverse conditions prevailed so long as a protective tariff was effectively maintained.

The author is avowedly a protectionist. He thinks protection has been a most important factor in our national progress and therefore favors its continuance, but, in dealing with the subject, I do not believe that he can justly be charged with a partisan perversion of the facts. The people have long needed a clear and compact tariff history which should avoid the errors and over-zealous statements of economic doctrinaires, and apply the principles of the historical school of political economists to the commercial history of the United States. These requirements the author's work fully meets, while at the same time it presents a more comprehensive and thorough discussion of the protective policy in its general relation to the economic advancement of civilized nations than any other work which has come under my notice.

A handwritten signature in cursive script, reading "Levi P. Morton". The signature is written in dark ink and is positioned above a long, horizontal, slightly curved line that serves as a decorative flourish.

III.

The book which Mr. Curtiss has written is unlike any other which has been presented on the subject in its method of treatment, and in its width of range. Most books on the subject have been too much a discussion of what were claimed to be principles, and too little a discussion of facts.

No subject which has largely concerned the hopes and fears of mankind has failed to undergo the experience which political economy has undergone. The natural tendency of mankind is to evolve things out of the inner consciousness and to make theories which account for the facts already known, and then strenuously contend for these theories in defiance of the facts which afterwards become known. Another delusion and snare of human reason is that method which for the sake of simplicity leaves out some facts so as to make the reasoning clearer, and forgets that these facts have been left out, and then goes on to declare that what happens in the ideal world where facts are left out will happen just the same in a real world where the facts are always left in. To reason that the actions of an imaginary man who desires wealth and wealth alone will be the same as that of a real man with all his hopes and fears may be an excellent mental gymnastic but can never be much more productive than the swinging of Indian clubs or the putting up of dumb bells. Exercise of the muscles may help and so may mental exercise if it does not mislead.

This book while it has a suitable discussion of principles which is well worth reading and very valuable, devotes itself mainly to a recital of facts which tend to show what system of economics leads to the best results in the actual practice of the world. Such a book if faithfully written can not fail to add to the prosperity of the United States for it is true history, which is philosophy teaching by examples. It is in direct contrast with those systems which teach by general statements which comprehend all the facts which the author can conjecture and leave out all the rest. Such statements may be very alluring to the brightest minds because they seem so simple, but they will never do for a practical world. Some time ago in his laboratory a chemist demonstrated that corn could be made into a sugar which tasted like real sugar and could be made at such a price as would drive off the face of the earth the tropical cane and the northern sugar beet. Able men took hold of the invention, put two millions of real money into it and discovered that the new sugar would not make candy or cake. Now a sugar which will make neither candy nor cake has the same relation to real sugar that most books on political economy have to real business. Luckily these men had brains and ability enough to turn the plant to other uses, and so instead of leaving the ruins to remain as a visible monument of the triumph of facts over the wisest theory the money put into the enterprise was saved but the anticipated fortune was lost. Professors of political economy are seldom so fortunate.

One of the greatest sources of error in our home discussions of the theories of free trade and protection is found in our ignorance of English economic history.

Most people have the strangest ideas of the Cobden movement in England and think it resembled and justified the insurrection which led to the Wilson bill which now adorns our statute book and devastates our land. The calm and careful history in this book of the protection system in England which preceded the Cobden movement, and the history of the Cobden movement itself, will go far to rectify the false ideas which have been so long prevalent, and if it contained nothing else would be worth all the book will cost and all the trouble of understanding the story therein narrated. In 1846 the whole world was carried away by the same false ideas which the Cobden movement made prevalent in England. Everybody was taken with the notion that there were some heaven ordained places where some things must be made, and that whoever tried to make them elsewhere was fighting God and Nature. Fifty years of hard experience have taught us that God and Nature are not to be found out and disclosed by every gentleman of literary tastes who could make a syllogism or reason on facts with half the facts left out. Slowly but steadily the world has found out that this doctrine of letting things take care of themselves is only another name for indolence, which could never understand God or keep the weeds from growing where the sunny gardens were. This book is also the story of how the nations discovered that the best way to be protected and prosperous was not to leave things alone but to use their brains and make things better. Some people in the less advanced parts, even of this country, still think that the sole purpose of government is to keep people from cutting each other's throats, utterly oblivious of the fact that it is under such government that the most throats get cut. France, Germany, Russia, Austria, the United States and even England have tried the experiments and have all suffered. All but England have reformed, and to-day half of England's capital is invested not in England but in lands which have resisted England and shunned her recent example.

This book gives the history of experiments tried all over the world of the two systems and the results which have followed. It teaches what the facts teach and nothing more. It does not teach that this law or that law, this rate or that rate, is essential to national success; for rates change with circumstances and laws with conditions; but it teaches that protection whether it be at one rate or another, whether it be by one law or another, so long as it is protection, is the sole essential. Therefore this book does not undertake to urge one law or another. What law there shall be, what rates shall exist, is the province of the statesman whose duty it is to accomplish protection for the country with the minimum of disturbance of preconceived notions and with due regard to the prejudices and the state of knowledge of the nation.

Perhaps, as stated by Professor George Gunton in his admirable treatise on Social Economics, the true test of national prosperity is the number of the unemployed. If proper heed were given to this idea fewer people would lose their heads in the labyrinth which is created by the discussion of prices. It used to be a very taking idea to talk about low prices and to picture the happiness which was sure to come when things were cheap. We have had three years of delicious

cheapness. Not only are goods cheap but labor has become cheap ; not only does the housekeeper buy cheap but the farmer has to sell cheap for it is the same identical transaction, and no method has been discovered on earth in the same transaction to make the purchase cheap and the sale dear. Nor is this all. There are fewer sales and fewer purchases. That means less work; less work means more idle men; idle men do not create wealth, they only consume it. The more idle men the less the wealth of a nation. And that would be equally true if a cent would buy a dollar's worth.

Perfection of the prosperity of a nation cannot be reached until all are employed. When all are employed the nation is doing its maximum of work and creating all the wealth which it is capable of creating. Then also takes place what is equally essential—the greatest approximation to a fair and honest distribution of the wealth produced. With the people all at work those who work can dictate their terms subject only to the limitation of proper profit to those workers who subsist by profit and not by wages ; who take the risk while others take the certainties.

Somewhat or other, times like these are great educators. How very fine used to be the sneer about lifting one's self by the boot straps ! How clear used also to seem the demonstration that taxes could create nothing ! What a fine, large mouth the consumer had those days, and how puny and unworthy seemed the hands of the producer ! Now the unfilled mouth has discovered who owns the hands. This book will show you that this has been the history of nations a hundred times ; nay, it has been the history of our own nation half a score of times in our short life. Like the Spanish Grandee in the cemetery, we were well and wanted to be better, took medicine, and here we are. Is it worth while to undergo this death and resurrection again ? We shall never do it if we lay fast hold on the facts of the universe. There may be a time come when nations will be no more, when the brotherhood of man may be established, when communication may be so rapid, when we shall be so equally advanced in civilization, that nobody will care where he lives or is buried ; when distance shall break no ties, and when the universal language is spoken by everybody without accent ; in that time we may lose nationality and become citizens of the world. Then free trade may reign. But such a time will not happen within the hundred years which centre in that week when two English speaking nations were ready to clutch each other by the throat about a boundary thousands of miles away, and the German emperor was ready to fight the kingdom of his grandmother about some people in Africa whose ancestors left the fatherland so long ago that history is not quite sure that they did leave it. Nationality is a fact, brotherhood is a hope. Perhaps if we live up to our fact that may be the best way to arrive at our hope.

Thomas B. Reed

PART I.

OUTLINE OF COMMERCIAL HISTORY TO 1650.

CHAPTER I.

GENERAL DIVISION OF TRADE, COMMERCE AND INDUSTRIES.

It is by the production, distribution and consumption of commodities that the various wants of man are supplied. From increased consumption arises a demand for production. In the earlier stages of man's existence he supplied his own wants by his products, but to-day people are enabled to consume only after they have earned money with which to purchase. Man must either apply himself directly to the soil, and thus supply his own wants, or he must trade his labor and efforts for that commodity called money, which can be exchanged for what he desires. However much attention may be given to other branches of the subject, it must be conceded that, under our present social conditions, the question of finding employment for the people, and providing them with the means by which they may exchange their labor, directly or indirectly, for commodities, deserves the highest consideration, and lies at the very base of the science of economics. The true economics must begin here. This is the basis of production, as well as of consumption. The distribution of products is a matter of convenience, and important only as it aids these two necessary elements. The three important branches of production upon which the wealth and prosperity of nations chiefly depend are agriculture, manufacturing and mining. A country blessed with resources by which these three branches of industry can be carried on, is enabled to find employment for the largest number of people, under the most perfect division of labor, and develop to the highest degree the various capabilities and aptitudes of its people. A nation possessed of a variety of soil and climate suited to the growth of all of the cereals, fruits and vegetables of temperate and semi-tropical regions can reach the highest agricultural development. A nation having gold, silver, copper, nickel, lead, iron and coal in abundance is possessed of inestimable mineral resources. With all of these at its command, with a soil and climate suitable to the growth of cotton, flax, hemp, jute and other vegetable fibres, and with pastures for sheep, it possesses in the highest degree, the natural resources and facilities for acquiring every blessing, comfort and luxury attainable. An enterprising and industrious population, inhabiting such a country, with

The direction of labor the prime economic consideration.

Division of industries.

such resources, can practically live within itself, and reach the highest state of prosperity and civilization, without giving any special attention to foreign commerce. Their surplus products can readily be exchanged for those commodities of foreign countries which they are unable to produce, and as they grow in wealth, as their domestic industries increase, as the tastes and wants of the people expand, sufficient legitimate foreign trade will naturally arise to give them importance in this class of commerce. The prosperity of a people so situated is measured by that vast volume of unregistered inland exchanges which is carried on within its own borders, and not by the comparatively small amount of external trade with other portions of the world, arising from a variation of the products of soil and climate.

*Natural
limitations
of produc-
tion.*

A clear understanding of the application of economic principles cannot be reached without a study of geographical situation, natural resources and those conditions under which all industrial pursuits must be carried on by the people of different nations. There is no country in the world possessed of all elements by which everything can be produced within its own borders. It is well recognized that one country must confine itself to those pursuits to which, by soil, climate, natural resources and the special aptitude and capabilities of its people, it is suited, and at the same time, leave to other portions of the world the production of those commodities which nature has ordained for them. Tea, coffee, spices, cotton, tropical fruits grow luxuriantly in certain localities, and in no others; while grains, vegetables and coarser products grow in all parts of the world. No one attempts to interfere with the laws of nature, which have selected certain plants and fruits to grow in certain localities. The natural products of a country should not be confounded with the capabilities of man in expending his energies upon raw materials, such as cotton, flax, silk, wool and the metals, or the use he makes of fuel and water power, in converting them into clothing and implements. The growth of those food products and raw materials which flourish luxuriantly in tropical regions, with little effort on the part of man, have no relation to the production of manufactured articles by the application of labor and skill to raw materials. Because nature has ordained that coffee, tea and raw silk shall be produced only in certain spots on the face of the globe, it does not follow that the raw silk should be woven into cloth in France, instead of in the United States, simply because labor is sixty per cent cheaper in Lyons than in Paterson, N. J. At the outset the reader should mark the distinction between natural products of soil and climate and the products of industry and the handicraft of man.

Moreover the limitations imposed by external nature upon production are not so great as might at first thoughts appear. Among agricultural products, the cereals and vegetables which contribute so largely to the support and sustenance of man, grow in abundance in almost every country

and climate between the frigid zones. There are only a few localities adapted by nature to the growth of special products, such as tea, coffee, tropical fruits, etc. Among minerals, iron, copper, lead, etc., are found on every continent and in every country. Coal beds for fuel are equally widely distributed. Manufacturing and mining, as industrial pursuits, do not depend upon natural facilities of soil and climate, but upon the application of capital and labor, excepting that on account of extreme heat certain tropical regions are unsuited to manufacturing, and large industrial enterprises which require excessive physical exertion.

Trade and commerce may be divided into two general branches, as follows:

*General
division of
trade and
commerce.*

1. Domestic Trade, which consists of those exchanges of commodities produced at home, which are carried on between the people of the same nation.

2. Foreign Trade, or that trade which is carried on between the people of different countries.

Foreign trade is divided into three main branches, as follows:

1. Round About Trade, in which articles are bought in one foreign country and sold in another foreign country. This class of trade is at present largely engaged in by citizens of England, who, for instance, buy coffee in Brazil, and sell it in the United States.

2. The Exchange of Native for Foreign Produce, that branch of trade in which domestic products are exchanged for foreign articles, the like of which cannot be produced at home, for instance, the exchange, by the people of England, of manufactured articles, for tea, coffee, spices, raw materials, etc.

3. The Exchange of the Native Produce of a Country for Articles the Like of Which Might be Produced at Home, for instance, the exchange by the United States, of agricultural products for manufactured articles, or the exchange, by England, of manufactured articles for agricultural products, or the exchange, by England, of certain manufactured articles for other manufactured articles, the like of which can be produced in the United Kingdom.

The last-named class of foreign trade is engaged in only when one country possesses some acquired advantages in production over a competing country, such as skill, capital, machinery or cheap labor. It is with respect to this class of trade, that the controversy has arisen between the advocates of protection to home industries and those favoring free trade.

*Protection
and free
trade con-
trasted;*

The advocates of protection propose to develop fully the agricultural and mineral resources of their own country; to encourage the investment of capital in manufacturing, and so far as possible in the production of everything necessary, desirable or useful to its inhabitants. They favor the several branches of foreign trade, but do not believe that domestic industries should be sacrificed or curtailed to make room for

manufactured articles from other countries, when these articles can be produced at home through protection to native industries.

Those advocating the doctrine of free trade attach great importance to foreign trade, and favor its widest possible extension under all conditions, even though the investment of capital and labor in that direction results in an injury to native industries, or in their total destruction.

The importance attached to these several branches of industrial pursuits forms one of the chief subjects of controversy between the two great schools of economics. Adam Smith in his "Wealth of Nations," after a thorough examination of the history of the trade and commerce of the world, announced a principle, which was not only proven by past experience, but which has been confirmed by subsequent events, and is regarded as of great importance by protectionists. He recognized and stated the importance of domestic production over foreign trade, in the following language :

Relative importance of domestic production and foreign trade.

All wholesale trade, all buying in order to sell again by wholesale, may be reduced to three different sorts, the home trade, the foreign trade of consumption and the carrying trade. The home trade is employed in purchasing in one part of the same country, and selling in another, the produce of the industry of that country. It comprehends both the inland and coasting trade. The foreign trade of consumption is employed in purchasing foreign goods for home consumption. The carrying trade is employed in transacting the commerce of foreign countries, or in carrying the surplus produce of one to another.¹

Greater importance of the home trade.

After agriculture, the capital employed in manufacturing puts into motion the greatest quantity of productive labor, and adds the greatest value to the annual produce. That which is employed in the trade of exportation has the least effect of any of the three.²

The capital therefore employed in the home trade of any country will generally give encouragement and support to a greater quantity of productive labor in that country, and increase the value of its annual produce more than an equal capital employed in the foreign trade of consumption; and the capital employed in this latter trade has in both these respects a still greater advantage over an equal capital employed in the carrying trade. . . . The riches, and so far as power depends upon riches, the power of every country must always be in proportion to the value of its annual produce, the fund from which all taxes must ultimately be paid, but the great object of the political economy of every country, is to increase the riches and power of the country.³

The carrying trade relatively unimportant.

There is a constant effort emanating from certain quarters to magnify the importance of foreign trade, and especially of that part known as the carrying trade, although Adam Smith regards it as the least profitable of all. However prosperous and enterprising those nations or cities may have been, which in times past excelled in foreign commerce, without taking into consideration the conditions which induced it, and the circumstances which turned their attention to this class of trade, we can form no estimate of the application of such policy to other countries. To a nation like the United States, suited to agriculture, manufacturing and

¹ Wealth of Nations, page 294. ² Id. 292. ³ Id. 297.

mining, the foreign carrying trade is the least profitable of all, because it gives employment to the smallest number of laborers, and investment to the least capital. It is directly beneficial, only to the large capitalists who carry it on. Their ships are built, other things being equal, in navy-yards and countries, where they can be constructed at the least possible cost. They are provisioned in ports where supplies are cheapest, and manned with sailors picked up and employed from different countries. The ship-owner is interested in the welfare of one country as much as another. He knows no flag, no nationality, and has no patriotism. He is really a citizen of no country. He makes his profits out of freight gathered from all regions, and invests his surplus earnings in places where he can obtain the highest rate of interest. He would fly no flag at his masthead were it not required by international law. The very circumstances under which it is carried on confirms the statement of Adam Smith, which more strongly conveys the truth to-day than ever before, that no nation can afford to sacrifice home industries in order to build up this Round About Trade. If, however, the necessity of the situation or an overflowing population opens this field of enterprise as the readiest and best means of giving employment to the labor and capital of a country, it then, of course, becomes of great importance. In any event the benefits depend upon the extent to which the vessels are owned and manned by its own citizens, the ships built and repaired in native shipyards, and the business carried on in such a way as to increase the national wealth. The truth and importance of these general principles will appear more clearly when we come to consider the commercial development of nations as shown in their history.

The exchange of domestic commodities for the natural products of other countries, the like of which cannot be produced at home, depends upon the state of civilization, the geographical situation, and the resources of a country, for the extent to which it is carried on. For instance, the United States must always buy its tea, coffee, spices, rubber, dye stuffs and certain tropical fruits in foreign countries. It is highly profitable and necessary that the United States should engage in this trade and exchange its domestic productions for such articles of foreign growth. England is in the same situation, and necessarily must depend on the native production of other countries, to a larger degree than the United States. In the very nature of things this class of foreign trade must be carried on to the extent of the demands of the people, and is highly beneficial to the countries so dealing with each other. As a country increases its domestic production and home trade, as its people become more prosperous and independent, as their tastes and desires expand, the market among them for these commodities steadily increases their foreign trade, and the sale of their surplus domestic productions to purchase the necessities and luxuries produced in foreign countries constantly grows. The

Trade in natural products the like of which cannot be produced at home.

Necessity of this branch of commerce.

necessaries and luxuries of foreign countries must be obtained, either by buying them outright with coin, or by an exchange of surplus domestic products. So the basis of this class of foreign trade is domestic production. Without domestic production a country is unable to buy such foreign articles. This class of trade is legitimate, because it is necessary, arising from an ordinance in nature which has adapted certain regions to the exclusive growth of certain articles. In order fully to supply the wants of man, such exchanges are made necessary; but this class of trade, it should be borne in mind, arises wholly from what is known as the *products of nature*, proceeding from conditions existing in the nature of soil and climate, and not so much from the *industry or capabilities of man*. For instance, it is in the order of nature that the people of the United States should receive their coffee and tea from remote regions, while there is no reason existing in nature why the people of the United States should buy their cotton, woolen goods and other manufactured articles from England and the Continent, when the natural facilities for their production exist in the United States, and an abundance of skillful and industrious people, who are as well adapted to the art of producing them, as the inhabitants of any other portion of the globe.

*Domestic
production.*

Home exchanges consist in that vast amount of inland and coasting trade which is carried on by a people in the exchange of their own domestic productions among themselves. Foreign exchanges, as we have shown, should be confined as nearly as possible to obtaining from foreign countries the natural products of soil and climate, to the production of which they are specially adapted, and should be limited to obtaining as small an amount as possible of wares which are produced by the labor of artisans, that domestic productions may be more fully developed. Home trade is carried on by denizens. In the United States it is carried on by citizens of the United States. Factories are built out of materials produced by the labor of our country. Our artisans and laborers have their homes within the country. The capital employed, and thus set in motion, is distributed to all channels of trade, constantly stimulating, sustaining and strengthening all branches of industrial life, and forming the very basis of industrial activity and that general prosperity which makes a country most desirable to live in. The larger this class of trade, the more schools, churches, libraries, charitable institutions, and the larger number of homes and comfortable men, women and children. To destroy this class of trade, is like taking the nerves out of the human body. It is by keeping in view this distinction between *domestic* and *foreign* trade, that we are enabled to grasp those economic principles which promote the prosperity of a nation. It is by keeping well in mind the distinction between domestic trade and foreign trade, that we are enabled to determine the importance and limits of domestic production, as well as readily to understand the true province and scope of foreign exchanges.

No prominent and permanent nation has yet neglected the development of its resources and the cultivation, to the highest degree possible, of its own natural products, and the fullest employment of its labor, without suffering a severe penalty. 'The people of no nation in the history of the world has ever prospered under a policy which sacrificed its home industries to build up and develop the resources and give employment to the labor of foreign states. . The controversy upon these questions has arisen out of the distinctions stated. Those advocating the doctrine of free trade teach that the prosperity of nations, regardless of their situation or economic conditions, can most surely be promoted through foreign exchanges; while the advocates of the doctrine of protection believe that countries with a great diversity of natural resources can become more prosperous, its people reach the highest social condition, greatest independence and prosperity, by the encouragement and development of native resources; holding also, that foreign exchanges should be treated only as a part of an industrial system, having for its basis the employment of the labor and capital of a country in domestic production and exchanges.

CHAPTER II.

COMMERCE OF THE NATIONS OF ANTIQUITY.

A brief sketch of the general features of the external trade carried on by the nations of antiquity prior to the twelfth century, becomes of importance, as showing the contrast between modern economic conditions and those which then prevailed and as revealing the causes that have determined the commercial destiny of these nations. It has not been until recent centuries that the commercial policy of governments has assumed a definite course and been applied to circumstances at all comparable to present conditions. Prior to the eighteenth century ocean voyages were most hazardous and expensive. The accounts given of the voyages made by the Dutch and English to India, around the Cape of Good Hope, and the proportion of vessels and cargoes lost each year by storms and perils of the sea, may be considered as items of great importance. The inland traffic was carried on in ancient times, by conveying goods on the backs of camels, over deserts, from country to country, and by caravans, bringing the goods from inland to the seaport for shipment.

*General
condition
of com-
merce
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antiquity.*

During the Middle Ages a portion of the trade between Western Europe and Asia was carried on by caravans, extending their route from Constantinople west, and from Venice into the heart of Western Europe. Even those goods which were carried by ship from distant countries were shipped into the interior at a great expense. The question of competition, as affected by this element, did not enter into the consideration of economic policies until recent years. It has now become of more importance, as railroads, steamships and canals have reduced freight to a minimum and brought all countries within trading distance of each other.

It should also be borne in mind that the masses of people were in a condition of slavery or serfdom, and that their wants were supplied as dictated by their masters. The idea of forming an industrial policy for the elevation of the masses was not suggested until recent centuries. The articles which entered into foreign trade were few in number, and of such character that the foreign trade of all countries was necessarily small, when compared with domestic production. From the earliest times to the close of the Middle Ages, each locality supplied itself with the food products obtained by cultivation of its own soil, and purchased only those things not produced at home, without thought of enlarging its industries. The foreign carrying trade was confined largely to luxuries and those articles indulged in only by the nobility and aristocrats. The lack of communication and intercourse between the people of different countries,

even those adjoining, tended also to prevent a distribution of knowledge by which the people of one country might become familiar with the industrial life and the arts and mysteries by which articles were produced in others. The spirit of progress was so lacking, that the ideas of one country were seldom imitated by a neighbor; hence, the whole world for centuries made no material advancement. From the earliest times down to the close of the Middle Ages, for perhaps 2500 years, but few articles were added to the foreign trade of the world.

The earliest records of foreign trade in existence were found by Dr. Brugsch, sculptured on rocks in Egypt. They indicated that in 2500 B. C. the Egyptians sent trading expeditions to the countries bordering on the Eastern coast of Africa, south of the Red Sea. Numerous Bible accounts are given of the caravans which carried on trade between Egypt and the Holy Land. The chief trading peoples of that region, however, were the Edomites and Midianites, who from their geographical situation, from their wandering disposition, and from their possession of the camel as a beast of burden became the natural carriers of the fertile countries that surrounded them. To this they were impelled by the barren character of their own land. On the other hand, the Egyptians, inhabiting the fertile valley of the Nile, gave but slight attention to foreign trade, confining themselves to the exchange of domestic products up and down the river. "The importation of merchandise from foreign countries was a political rather than a commercial affair. Such foreign wares as entered the country came as a tribute, as the spoils of wars or as memorials of peaceful embassies."¹

The Egyptians and Arabs.

The ancient kingdom of Babylonia was noted for its manufactures, especially for its weaving of cloth and its pottery. Its foreign trade was extensive, and Babylonian cloth, pottery and ointments were exchanged for the wine and oil of Syria, for the spices of Yemen, and for the wine and wood of the Armenians. Ancient India too was a commercial country. While its domestic trade was especially active, there is evidence also that its products were distributed extensively throughout the North and West.

Babylonia and India.

Another people engaged like the Arabs chiefly in the carrying trade was the Phœnicians. They were the first great maritime power of the world, and in fact the only people of antiquity who were exclusively a seafaring people. The causes which turned their energies in this direction are important from the light they throw on the circumstances that have impelled nations to confine themselves exclusively to this branch of trade. Occupying a strip of barren and sterile territory, only eight or ten miles wide, lying between the mountains of Judæa and the coast of the Mediterranean Sea; deprived by nature of an opportunity of cultivating the soil; unable to bring the materials for manufacture and food supplies to

The Phœnicians.

¹ E. J. Simcox, *Primitive Civilization*, Vol. I.

their cities, excepting over mountains or by the sea, they chose the latter course. This they could easily do, for on Mount Libanus, within a few miles of the coast, an abundance of timber suitable for ship building could be obtained. The few inhabitants occupying this region first put to sea as pirates, robbing the cities and coasts of the Mediterranean. As they carried their booty and treasure home, their wealth increased, they became more enterprising and skillful in managing their ships, and more venturesome in their voyages and undertakings. After centuries of piratical raids they gradually drifted into legitimate trade and commerce, and became the sole possessors of the carrying trade along the coast of the Mediterranean, between what were then the richest and most populous countries of the ancient world. They practiced with great proficiency the art of making glass; engaged in the manufacture of dye stuffs, and other articles of commerce; their merchants distributed the spices, perfumes, precious stones, ivories and other luxuries of India and Egypt among the cities of Greece and along the coast of the Mediterranean. Their power as a nation increased and they planted colonies in Carthage, along the coast of Africa, on the islands of Sicily, Sardinia, and along the Southern coast of Spain. They are said to have passed the Strait of Gibraltar, and worked the tin and lead mines of the island of Britain. Supplied with silver from the mines of Spain, reaping large profits from this carrying trade of which they held a monopoly, their merchants became rich, and the cities of Sidon and Tyre became centres of wealth and marts of great commercial importance. From the twelfth to the seventh century B. C. was the period of their commercial greatness. Their decline dates from the invasion of Syria by Alexander the Great. The country finally became a Roman province; their commerce and trade disappeared; their wealth faded away, and all that is now left to point to their greatness is the ruins of their cities.

Greece.

Though not such skillful mariners as the Phoenicians, the Greeks engaged extensively in commerce. Athens affords a good illustration of activity in that branch of foreign trade which exchanges domestic products for commodities which the natural defects of the home country prevent it from producing within its own limits, for the soil of Attica being then as now ill-suited for agriculture, the grain consumed in the city of Athens was obtained for the most part from the great grain-producing regions bordering on the Black Sea. Corinth was a more important commercial centre even than Athens. From the middle of the eighth century B. C. the maritime importance of the Greeks was apparent and before a century had passed they had shown their energy and resource by the invention of triremes. The necessity of having articles to exchange for the food products of other regions stimulated manufactures, and Greek pottery, weapons and implements were extensively bartered on the Mediterranean coast. Numerous and important colonies were established on

the islands of the Mediterranean and as far west as the mouth of the Rhone in France.

Carthage, inheriting the maritime skill of her Phœnician founders, became for a time the chief naval power of the Mediterranean and enjoyed through her ships that dominion on the sea which Rome through her legions was winning for herself on land. Her colonies settled the port of Cadiz. She founded Carthage and Barcelona, also on the Spanish coast, and had trading stations on the shores of Gaul. Primarily a commercial nation, she left her proper sphere of action when she entered upon her long and destructive wars with Rome, and though she held her own for a time, ultimately she was forced to succumb. Her power was destroyed and within the ruined walls of her once populous capital only a few thousand inhabitants remained to bear witness to her former greatness. There are few parallels in history to such a sudden and complete extinction of a powerful empire. The chief cause of this was the important fact that the Carthaginians, like the Phœnicians, applied themselves exclusively to the carrying trade and when war destroyed this they had nothing to fall back upon, as the narrow strip of territory on the coast of Africa surrounded by a desert did not possess sufficient natural resources to sustain a great population.

Carthage.

The Romans cannot be ranked among the commercial nations. Still, they should be mentioned in a history of commerce because of the immense extent of their empire, which created a vast market, and because of their grand system of communication, which, although established for military and administrative purposes, served also for the transport of merchandise. Under the empire, Rome and Italy, whose agriculture was ruined, could not subsist but for the importations from the provinces, especially of their grain. After the devastations of war and the rapine of proconsuls, labor and commerce, protected by a regular administration, served again to restore the wealth of the civilized countries of the East, at the same time that, under the domination of Rome, they gave life to the hitherto barbarous nations of the West. Alexandria was one of the richest commercial cities of this period, the great storehouse of the commerce of the Romans. But, by the continuous weakening of the empire, commerce languished and perished gradually, until the invasion of the northern tribes finally destroyed it.¹

Rome.

Rome, placed like a mightier Mexico in the centre of her mighty lake, was furnished with every luxury and with many of her chief necessities from beyond the waters; and cities on every coast, nearly similar in latitude and climate, vied in intense rivalry with each other in ministering to her appetite. First in the ranks of commerce was the traffic in corn, which was conducted by large fleets of galleys, sailing from certain havens once a year at stated periods, and pouring their stores into her granaries in their appointed order. Gaul and Spain, Sardinia and Sicily, Africa and Egypt were all wheat-growing countries, and all contributed of their produce, partly as a tax, partly as an article of commerce, to the sustentation of Rome and Italy.

The vessels engaged in this trade, however numerous, were after all of small burden. The corn fleets did not indeed form the chief maritime venture of the Alexandrians. The products of India which had formerly reached Egypt from

¹ Cyclopædia of Political Science, Political Economy and United States History, Vol. I., p. 514.

*The trade
of the
Roman
Empire.*

Arabia and were supposed indeed in Europe to have come only from the shores of the Erythraean Sea, were now conveyed direct to Cleopatra or Berenice from the mouths of Indus and the coast of Malabar, and employed an increasing number of vessels, which took advantage of the periodical trade-winds both in going and returning. The articles of which they went in quest were for the most part objects of luxury; such as ivory and tortoise-shell, fabrics of cotton and silk, both then rare and costly, pearls and diamonds, and more especially gums and spices. The consumption of these latter substances in dress, in cookery, in the service of the temple, and above all at funerals, advanced with the progress of wealth and refinement. The consignments which reached Alexandria from the East were directed to every port on the Mediterranean; but there was no corresponding demand for the produce of the West in India, and these precious freights were for the most part exchanged for gold and silver, of which the drain from Europe to Asia was uninterrupted. The amount of precious metals thus abstracted from the currency or bullion of the empire, was estimated at 100,000,000 sesterces or about 800,000 pounds sterling yearly. The reed called papyrus, the growth of which seems to have been almost confined to the banks of the Nile, was in general use as the cheapest and most convenient writing material, and the consumption of it throughout the world, though it never entirely superseded the use of parchment and waxen tablets, must have been immense. It was converted into paper in Egypt, and thence exported in its manufactured state; but this practice was not universal, for we read of a house at Rome, which improved on the native process, and produced what Pliny calls an imperial or noble, out of a mere plebeian texture. With respect to other articles of general use it may be remarked that the most important, such as corn, wine, oil and wool, were the common produce of all the coasts of the Mediterranean, and there was accordingly much less interchange of these staple commodities among the nations of antiquity than with ourselves whose relations extend through so many zones of temperature. Hence, probably, we hear of none of their great cities becoming the workshops or emporiums of the world for any special article of commerce. The woollens indeed of Miletus and Laodicea, together with other places of Asia Minor, were renowned for their excellence, and may have been transported as articles of luxury to distant parts; but Africa and Spain, Italy and parts of Greece, were also breeders of sheep, and none of these countries depended for this prime necessary on the industry or cupidity of foreigners. The finest qualities of Greek and Asiatic wines were bespoke at Rome and at every other great seat of luxury. The Chian and Lesbian vintages were among the most celebrated. . . . Again, while the clothing of the mass of the population was made perhaps mainly from the skins of animals, leather of course could be obtained abundantly in almost every locality. When we remember that the ancients had neither tea, coffee, tobacco, sugar nor for the most part spirits; that they made little use of glass, and at this period had hardly acquired a taste for fabrics of silk, cotton or even flax, we shall perceive at a glance how large a portion of the chief articles of our commerce was entirely wanting to theirs. Against this deficiency, however, many objects of great importance are to be set. Though the ruder classes were content with wooden cups and platters fashioned at their own doors, the transport of earthenware of the finer and more precious kinds, and from certain localities, was very considerable. Though the Greeks and Romans generally were without some of our commonest implements of gold and silver, such for instance as watches and forks, it is probable that they indulged even more than we do in personal decorations with rings, seals and trinkets of a thousand descriptions. . . . The conveyance of wild animals, chiefly from Africa, for the sports of the amphitheatres of some hundred cities throughout the empire, must have alone given occupation to a large fleet of ships and many thousand mariners. Nor were the convoys smaller

which were employed to transport marble from the choicest quarries of Greece and Asia to many flourishing cities besides the metropolis. . . . After due deduction for the more contracted sphere of ancient commerce, and the lesser number of articles, for the extent also to which the necessities and conveniences of life were manufactured at home in the establishments of wealthy slave owners, we shall still readily believe that the inter-communication of the cities of the Mediterranean, such as Corinth, Rhodes, Ephesus, Cyzicus, Antioch, Tyrus, Alexandria, Cyrene, Athens, Carthage, Tarraco, Narbo and Massilia, Neapolis and Tarentum, Syracuse and Agrigentum and of all with Rome, must have been a potent instrument in fusing into one family the manifold nations of the empire. . . . In the eyes of the Orientals and the Greeks, the mistress of lands and continents, the leader of armies and the builder of roads was regarded as the greatest of all maritime emporiums and represented in their figurative style as a woman sitting enthroned upon the waves of the Mediterranean. The maritime aspect thus assumed by Rome in the eyes of her subjects beyond the sea, is the more remarkable when we consider how directly her ancient policy and habits were opposed to commercial developments. . . . The landowners of Rome, in the heigh-day of her insolent adolescence, had denounced both the commerce and the arts as the business of slaves or freedmen. So late as the year 535 a law had been passed which forbade a senator to possess a vessel of burden, and the traffic which was prohibited to the higher class was degraded in the eyes of the lower. . . . It was thus by following the natural train of circumstances and by no settled policy of her own, that Rome secured her march across the sea, and joined coast to coast with the indissoluble chain of her dominion. On land, on the contrary, she constructed her military causeways with a fixed and definite purpose. . . . The population of Gaul crept, we know, slowly up the channel of the rivers, and the native tracks which conveyed their traffic from station to station were guided by these main arteries of their vital system. But the conquerors struck out at once a complete system of communication for their own purposes, by means of roads cut or built as occasion required, with a settled policy rigidly pursued. These high roads as we may well call them, for they were raised above the level of the plains and the banks of the rivers, and climbed the loftiest hills, were driven in direct lines from point to point, and were stopped by neither forest nor marsh nor mountain.¹

Rome a great centre of commerce.

The state of things which arose on the collapse of the Roman empire present two concurrent facts, deeply affecting the course of trade. (1) the ancient seats of industry and civilization were undergoing constant decay, while (2) the energetic races of Europe were rising into more civilized forms and manifold vigor and copiousness of life. The fall of the Eastern division of the empire prolonged the effect of the fall of the Western empire; and the advance of the Saracens over Asia Minor, Syria, Greece, Egypt, over Cyprus and other possessions of Venice in the Mediterranean, over the richest provinces of Spain, and finally across the Hellespont into the Danubian provinces of Europe, was a new irruption of barbarians from another point of the compass, and revived the calamities and disorders inflicted by the successive invasions of Goths, Huns and other Northern tribes. For more than ten centuries the naked power of the sword was vivid and terrible as flashes of lightning over all the seats of commerce, whether of ancient or more modern origin.²

The fall of the Empire.

But meanwhile these immigrations had caused the almost entire decay of agriculture and industry. During the four or five centuries in which they took place the finest regions of Europe became unfruitful and desolate. It was impossible in such troubled times to improve the fertility of the soil by renewed applications of capital and skill. And of course the condition of internal trade was hardly superior

The Dark Ages.

¹ C. Merivale, *History of the Romans*, Ch. 39.

² *Encyclopædia Britannica*, Vol. VI., p. 200.

to that of agriculture, and for the same reasons. For some centuries there is no trace of any important manufactures, except of course those domestic arts of weaving and spinning which are absolutely necessary for providing clothes, and which can be practiced by separate individuals in every village or household. Rich men, indeed, used to keep artisans in their households as servants; but this only shows that there were no recognized seats of manufacture from which they could easily procure what they wanted. Even kings in the ninth century had their clothes made by women upon their farms. No doubt the villages had their smiths and weavers, but these occupations belonged to a few isolated individuals, and had not yet developed to any considerable branch of industry. Trade between various localities was very limited, for the general insecurity of the times made mercantile traffic highly dangerous. The want of communication prevented men from easily moving about to supply one another's wants and at the same time made it difficult for them to find out what these wants were. Robbery by violence was frequent and robbery by extortionate tolls still more so. The ordinary knight of those times was nothing more or less than a bandit, perhaps not always so openly criminal as a highwayman, but very often employing the same methods. They made merchants pay extravagant tolls at every bridge and market and along every highway in their domains. Frequent complaints of these exactions are found in Karl the Great's capitularies or enactments, and the most open robbery was practiced by the German barons.

*State of
trade in the
Dark Ages.*

This state of things naturally ruined industry and prevented the development of manufactures or of the products of the soil. Hence Europe in general had practically nothing to offer in exchange for the products of Asia, the only other continent then open to commerce. This is the reason why for so many centuries we have hardly any foreign trade. Almost the only imports were fine Eastern cloths and spices for the nobility. But how were these paid for? In return Europe gave the East gold and silver—the remnants, apparently, of the money in circulation under the Roman empire, but the supply of which thus greatly diminished before the eleventh century. Armor and furs were also exported. A great feature in European exports was, however, the slave trade; for often only by the sale of slaves were the upper classes, as they were called, enabled to pay for the Eastern luxuries they desired. Karloman, the brother of Karl the Great, made a law to try and stop this sale of European slaves to the Saracens, but it was ineffectual. This and indeed all other trade was carried on *via* Constantinople by the only two trading centres of importance in those ages, Venice and Amalfi.¹

CONCLUSIONS.

A study of the nations of antiquity reveals two facts of importance. In the first place the branch of commerce chiefly followed by the ancients was the carrying trade to which they were impelled by the necessity of their situation. In the second place no nation has ever yet permitted its people to live in idleness, neglected to cultivate its own fields and permitted its domestic industries to fall into decay and ruin without sapping the very foundation of its national life. The chief source of wealth from the earliest time, the means by which the greatness and happiness of nations have most surely been attained in all ages and among all peoples, have been the application of labor and capital to native industry and the opening of pursuits which have furnished the most employment to the largest number of people. In regard to the nations of antiquity it should be further noted

¹ History of Commerce in Europe, pages 33, 34.

that not one ever attained commercial greatness in the face of an active competition. The great commercial nations always enjoyed a form of natural protection in their geographical situation or in the possession of some peculiar advantages.

Rome furnishes to the world the greatest lesson in economics of all the ancient civilizations. The merits of those two policies which in modern times have formed the basis of the opposing systems of protection and free trade were tested. At first the domestic resources of Italy were relied upon as the principal source of her prosperity. Later, the cultivation of the soil was abandoned, and the imperial city drew her food supplies from foreign countries. In the early history of Rome, in what was known as her Golden Age, the virtue, industry and patriotism of those citizens who cultivated the soil were the strength and greatness of the Republic. Rome was most fortunately situated in the heart of one of the most fertile and productive regions of Europe. She held within herself the resources from which an ambitious, enterprising and industrious people could acquire greatness and material wealth. During the palmy days of the Roman Republic, the cultivation of the soil and various pursuits of industry were regarded as honorable and dignified occupations. Cincinnatus, one of the greatest patriots of the age, left his plow to take the reins of government. It was at this time that Rome defeated Carthage, after holding out for twenty-seven years against the invading army of Hannibal. It was this age which gave to Rome, Cato, Scipio and those statesmen and soldiers who are particularly distinguished for their patriotism and courage in the defence of their country. But this policy was abandoned. The loyal hardy yeomen were supplanted, and from Naples to Gaul, Italy became cultivated by slaves. Wheat and cattle were brought from Egypt, the island of Britain and other provinces. The people of Rome were fed on the products of other countries. They neglected not only agriculture, but manufacturing. Their clothing and implements and other wares were brought from the East. All the wealth brought from foreign countries to the imperial city did not compensate her for the loss sustained by her failure to develop her own resources. She made the fatal mistake of neglecting domestic production and attempting to live by foreign commerce. In the best days of the Republic, when it was invaded by Hannibal, the most consummate general of the time, Rome was saved by that sturdy people imbued with a love of country, who were ready to defend the imperial city at the sacrifice of their treasures and their lives. At this time Rome meant something to her own people.

Lessons to be drawn from the commercial history of Rome.

After the domestic resources of the country had been destroyed, her sturdy patriotic citizens wiped out and replaced by slaves, she was weak and defenceless, although her nobles and senators had become rich from the spoils and profits of foreign conquest and trade. In the fifth century,

when the barbarian hordes of the North swept down upon Italy, instead of finding a people who were ready to fight for their own homes, firesides and personal interests, they found a mass of people who despised their own country and were as willing to see the imperial city destroyed as the invaders were to destroy her. Rome had no friends at home. The corrupt and vicious aristocracy of wealth which had lived and prospered by sapping the life not only of her own people, but of her provinces, were not only powerless but were ready to flee to Constantinople or any other city where they could hide their wealth.

CHAPTER III.

INDUSTRIAL DEVELOPMENT OF ITALIAN AND GERMAN CITIES IN THE MIDDLE AGES.

No attempt will be made to recount the commercial history of European nations during the period indicated, but merely to present the chief features in the economic development of some of the leading commercial communities and to ascertain, if possible, the influences that shaped their commercial destiny—the causes of their prosperity and their decline.

During those centuries known as the Dark Ages, all progress was completely arrested and a condition of savagery and barbarism prevailed throughout Western Europe. It was not until about the twelfth century that Western Europe began to rise from this debased condition and take on that national life which made progress possible. The industrial activity which made its appearance at this time in Italy and Flanders, and among the German cities of the North, marks an epoch of the greatest importance in the history of the world. It was not, however, until the seventeenth century that England, France, Germany, Switzerland and all of the countries of Europe turned their attention to those manufacturing pursuits which, in recent times and especially in the nineteenth century have increased their wealth and independence and added so much to the material welfare of their people.

The slow but steady growth of this phase of European civilization is worthy of the attention of those who are seeking after the causes of the material prosperity of nations. The growth of this side of a nation's life is, in great part, an intellectual development, arising from the cultivation of skill and artistic taste. The manufacturing supremacy of a nation does not consist wholly in what is known as manual labor. The industrial proficiency of a people, the wares they make, the articles which enter into their trade and commerce, are among the surest means of attesting the degree of their civilization. There is no doubt that as these faculties and tastes develop in the parents, they are transmitted to the children, and that which is difficult for one generation to perform, becomes second nature to the next. It has been by centuries of education and training, that the people of Western Europe have produced the most skillful, apt and efficient artisans in the world. For two hundred years their fine fabrics have surpassed any that have been made in other countries. The skill and taste displayed in their new and beautiful patterns and designs, which appear every year in all markets, are not only the results of long years of cultivation, but also by the development of a special

*Industrial
growth a
slow
process.*

genius taught in technical schools supported by their government. The one hundred and sixty millions of people now in Western Europe with the technical knowledge, genius and special aptitudes which they possess in all branches of production, their increased productive capacity by the use of labor-saving machinery, the accumulated capital of centuries, with their means of transportation and knowledge of business affairs, are undoubtedly able to supply the rest of the world with every conceivable article of manufacture. This position has not been attained in a day, but by centuries of most skillful and persistent direction of the energies of the people through powerful governments. The period between the twelfth and seventeenth centuries transformed the people from mere cultivators of the soil into artisans, tradesmen, shopkeepers, and developed every phase of industrial life. It stands between the Dark Ages and modern times. It was at the close of this period that the new world was discovered and the sea route to India was made known. The industrial activity which arose at this time, by increasing the independence of the people and giving them new means of employment, undoubtedly aided in their emancipation and the modification of tyrannical forms of government and unjust laws.

During the twelfth, thirteenth, fourteenth, fifteenth, sixteenth and a part of the seventeenth century, there were only two countries in Europe, namely, Italy and the Netherlands, which attained a sufficient degree of perfection and power in manufacturing and trade, to give them a standing among great commercial nations. During this period the cities of Italy (first Venice and later Florence, Genoa, Pisa and Milan), engaged in manufacturing and also controlled the carrying trade of the Mediterranean Sea. The rise, development and progress of the industrial life of these cities mark a very interesting period in the commercial history of the world. It was the beginning of the movement of the people of the West toward manufacturing and the development of those domestic pursuits and resources which had been regarded as of little importance by the people of antiquity. The Italian cities imitated the industries of Asia and introduced the manufacture of silks, cotton, dye stuffs, fine pottery, glassware and other articles into Europe, thus making these towns the industrial centres which for centuries have supplied the world with the richest, most artistic and most beautiful wares and fabrics. They turned the people of Europe to a study of the arts and mysteries of manufacturing, and to a cultivation of a taste for that high degree of perfection in industrial pursuits, which during the nineteenth century has contributed so largely to the commercial power and greatness of the Continent.

Fleeing from the savage hordes of barbarians, who invaded Italy under Attila the Hun in 452, the Venetian refugees found shelter and protection among the marshy islands on the north coast of the Adriatic Sea. They built habitations on piles driven into the ground. Their

The rise of the Italian cities as commercial and industrial centres.

Venice compelled by her situation to derive her subsistence from the sea.

only food for a time was the fish taken from the sea, cured with the salt extracted from its brine. Inhabiting a group of fishing villages, with no land fit to cultivate, they were compelled to look to the ocean for means of subsistence and naturally became mariners.

For 250 years, that is to say for eight generations, the refugees on the islands of the Adriatic prolonged an obscure and squalid existence, fishing, salt manufacturing, damming out the waves with wattled vine branches, driving piles into the sand banks and thus gradually extending the area of their villages. Still these were but fishing villages, loosely confederated together, loosely governed, poor and insignificant. This seems to have been their condition, though perhaps gradually growing in commercial importance until at the beginning of the eighth century, the concentration of political authority in the hands of the first Doge and the recognition of the Rialto cluster of islands as the capital of the Confederacy started the republic on a career of success and victory.¹

It was under these conditions that the Venetians became fishermen and skillful mariners. They gradually extended their voyages and enterprises along the coast of the Adriatic and the Mediterranean and finally became the most important and wealthy trading people of the Middle Ages. That they should have exerted their energies in this direction was most natural, it being the only outlet and means of building up their city and securing for themselves employment, wealth and independence. It was not a question of choice, but purely one of necessity. In the eleventh century when all Europe was ablaze with the religious enthusiasm of the crusaders, Venice became a central point from which troops and supplies were embarked for the East and a halting and recruiting station for the armies which poured over the Continent from England, Flanders and France, to the Holy Land. The Venetians, at this time, were the only people who, to any extent, could supply the crusaders with transports for the expeditions. To meet this emergency their ships and seamen were increased, and large profits were made from the enterprises. Feudal lords of Western Europe and of England, who embarked in these military crusades, in many instances mortgaged their estates to obtain funds with which to hire ships from the Italians for these voyages. Those who lived to return carried back ideas of an extravagant mode of living, which spread over Western Europe and created a new demand among the nobility for the luxuries and wares of the East; hence, an increased trade sprang up between the East and West. As soon as the prejudices of the wars between the Christian and Mohammedans subsided, the Venetians, quick to take advantage of the new conditions, entered upon this trade with great vigor and enterprise. The whole commerce between the East and West fell naturally into their hands. As trade expanded other Italian cities grew in importance; Genoa, Pisa and Florence all became great commercial cities during this period. The

*Profits of
Venice
from the
transporta-
tion of the
crusaders.*

¹ T. Hodgkin, *Italy and Her Invaders*, Bk. 2, Ch. 4.

*Italian
monopoly
of Eastern
trade.*

monopoly of this trade by the Italians enabled them to concentrate a large portion of the circulating wealth of the commercial world, in the hands of their merchants, shippers, manufacturers and bankers. The monopoly of this trade was so complete for many centuries that the natural accumulation of profits enabled the Italians to build magnificent cities, live in opulence and splendor, and enjoy a degree of prosperity which was almost unrivaled and which certainly, up to that time, had not been excelled by any people. The trade controlled embraced all of those exchanges carried on between England, Western Europe and the far East as well as the entire traffic between the cities bordering on the Mediterranean Sea. The luxuries of the East were exchanged for the coarser products and precious metals of the North and West. From Asia, Africa and the ports of the Black Sea they obtained spices, perfumes, precious stones, gum, oil, cotton, silks, velvets, saddlery and weapons of various kinds, especially the equipages for the knights and barons, the famous swords and saddlery of Damascus which at that time was a great centre for the manufacture of military accoutrements. These luxuries and comforts of the East were distributed throughout the cities of the Western coast of Europe and England. They were sent in ships to the British channel and conveyed by overland routes into the heart of Europe, and sold at the fairs and trading centres of the Continent.

*Commer-
cial great-
ness of
Venice.*

Gibbins says of the shipping of the Venetians at this time:

Her ships generally went out in squadrons with some men-of-war as a convoy, and every year a number of these squadrons set out regularly for prescribed ports, following a strictly arranged route and sailing at definite periods. The most notable of these trading fleets were the Flanders fleet which traded with the ports of Spain, Portugal, west of France, England and finally Flanders; the Armenian fleet which sailed to Aros in the Gulf of Alexandrietta; the Black Sea fleet which visited Tana, Azof, the Crimea and Pontic coast generally, and the Egyptian fleet which went to Alexandria and Cairo, meeting the caravans from the far East. A considerable overland trade was also done with Germany *via* Vienna, Augsburg and the Rhine.¹

At Alexandria the products of India, consisting of spices, cotton, fruits and ivory, were received and exchanged for gold and silver metals, and for iron, lead, copper, oil and timber. Ivory, gold-dust, dates and wool were obtained from the caravans of Africa. Raw wool and silk from the East were converted into fabrics by their artisans, and a system of diversified industries was carried on to an extent which rivaled, if not excelled, the commercial enterprise, prosperity and wealth of all the other peoples. In the latter part of the fourteenth century Venice became the greatest commercial and maritime city in the world. McCulloch says:

Her marine commerce was probably not inferior to that of all the rest of Christendom combined and her vessels visited every port of the Mediterranean and the coast of Europe. Her exports by sea alone amounted to 10,000,000 ducats a year which

¹ History of the Commerce of Europe, p. 50.

yielded profits and freights of 4,000,000 ducats to her merchants. Her shipping consisted of 3000 vessels of from 100 to 200 tons burden, manned by 17,000 sailors and 300 ships of 8000 sailors and 45 galleys, being vessels constructed for the combined purpose of war and commerce, each carrying fifty pieces of cannon and a crew of 600 men.¹

Gibbins says that at this time there were at least 1000 nobles in the city whose incomes ranged from 4000 to 70,000 ducats each and that at a time when 3000 ducats would buy a palace.

The Italian cities did not confine themselves wholly to the shipping and carrying trade, although they bought extensively in one foreign country to sell in another, and undoubtedly pushed this branch of trade with as much energy as possible; yet they early gave their attention to manufacturing, which opened a field for the investment of capital, the employment of labor and combined with their foreign trade, added immeasurably to their prosperity and wealth. The manufacturers of Venice were brought at once into direct competition with those of Asia Minor, Damascus and other cities of the East. They imitated the arts and industries of their foreign rivals in making silks, paper, jewelry, glass and glassware, woolen and cotton cloths, golden brocades, armor, swords and saddlery. The significant feature of this phase of their industrial life is the important lesson it teaches of the necessity in all ages, of meeting foreign competition and building up domestic industries against such rivals, by a policy of protection to native industry. Venice furnishes one of the earliest illustrations of the wisdom of this policy. M. Daru in his valuable "Histoire de la Republique de la Venise," quoting from the statutes of the republic, gives a most interesting account of the manner in which the imports of foreign manufactured articles for domestic consumption were forbidden. The whole system of domestic productions was regulated by law. The policy of the government favored the sale of Venetian wares instead of Oriental goods by their merchants. The statute law of Venice aimed also, to confine to the people of Venice, the results of their improvement, their discoveries and inventions in these industries, by making it practically impossible that the people of other countries should learn their mysteries and imitate their wares. The law of Venice reads as follows :

Venice in competition with the manufacturing cities of the East.

Her protective policy.

If any workman or artisan carry his art to a foreign country to the prejudice of the republic, he shall be ordered to return; if he do not obey, his nearest relations shall be imprisoned that his regard for them may induce him to come back. If he return the past shall be forgiven and employment shall be provided for him in Venice. If in despite of the imprisonment of his relations he perseveres in his absence, an emissary shall be employed to dispatch him and after his death his relations shall be set at liberty.

The trade guilds were also encouraged and they became so popular in Venice that distinguished citizens enrolled their names among their

¹ McCulloch's Commercial Dictionary, Edition 1851, p. 1381.

*Results of
Venetian
policy of
protection.*

members. Dante, the great poet, was a member of the guild of apothecaries. The Venetians dignified all pursuits of productive industry. By throwing about them the shield of protection, the artisans and manufacturers were enabled to follow their crafts, unassailed by foreign rivals. Under such stimulus, a high degree of proficiency and skill was reached and the wares of Venice became noted for their beauty, fineness and perfection in all the markets of Europe. That this system of diversifying and encouraging domestic industry contributed largely to the wealth, prosperity and permanence of Venice, there can be no question. This policy made every one feel proud that he was a citizen of Venice, and maintained a spirit of patriotism and interest in the republic, which was one of its greatest sources of strength. The direction of the attention of the people to the production of the finer fabrics and more delicate articles of commerce, undoubtedly contributed toward the development of that genius displayed by the Italians in latter years in the higher realms of art. Venice was noted throughout the commercial world for her manufactures of fine silks, woollens, cottons, etc. McCulloch says, "The glass manufactures of Venice were the first, and for a long time the most famous in Europe." Dye stuffs, soap, paper, refined sugar and fine leather were also made in large quantities. In her extensive brass and iron foundries metal goods were produced in great varieties. Her armor and weapons were sold in all foreign markets. Florence was famed for her jewelers and goldsmiths, and her woollens, silk fabrics, and golden brocades. Naples, Genoa and Milan also manufactured silk, and it was likewise produced in the district about Lyons in France and in the eastern part of Spain. Milan also was famous for its fine silks and armor. Silk embroideries, saddles, bridles and swords were at that time made in Damascus and cities of Asia, which were famous for their rare and costly goods. It was against the competition of these articles of the East that Venice imposed her restrictions in favor of her own people.

*Commercial decline
of Italian
cities, especially
Venice, due
largely to
political
causes.*

The effect of the discovery of the route to India around the Cape of Good Hope upon the Venetian trade has been greatly misunderstood. The Italian cities had already declined at the time this route was made known. Had they been in a condition to avail themselves of its advantages they could as readily have engaged in the trade with India as the Dutch or Portuguese. Moreover the discovery of the new route could not have affected the trade with the countries bordering on the Mediterranean and Black Seas, which were as accessible to the Venetians as before. Again, the date of the discovery was 1497, and it was not until a hundred years after this that any considerable traffic by the new channel arose. The truth is Venice had declined and her commerce was practically ruined before this route was discovered. The large extension of her territory on the mainland in the fourteenth century turned her attention from commercial enterprises to schemes of territorial aggrandizement, transformed her from

an essentially naval power to an important Continental one, and involved her in ceaseless intrigues and wars. As Italy became the battle-ground of Europe, the service of Venice was thrown into the balance on the occasion of almost every conflict. Her encroachments provoked the anger of her neighbors, who united with powerful monarchs to destroy her. The League of Cambray, comprising the King of France, the Pope and minor princes, was formed for the purpose of partitioning her territories, and but for the dissensions of its members would have succeeded in its object. In the meanwhile the Turks, destined to become the implacable and hereditary enemies of the republic, had taken Constantinople (1453) and established the Ottoman power over the territory around the Black Sea. For two centuries Venice, almost unaided, held them at bay, but her traffic suffered and many of her colonies were lost. Compelled to live constantly on the defensive against the Turks on the one hand and the Italian princes and the powers of Europe on the other, she gradually declined in strength and her commercial empire passed away.

The cities of Europe sometimes by purchase, sometimes by force, and again by political influences attained a condition of practical independence. By charters and special privileges obtained from monarchs, they secured a degree of protection against the arbitrary exaction of feudal lords and exemptions even, in many instances, from certain interferences on the part of the government. They were thus enabled to set up manufactures, engage in various trades and occupations, without being plundered and robbed.

The free cities of Europe.—Their industrial growth.

The security thus acquired induced the investment of capital in manufacturing, gave encouragement and protection to guilds and associations, which instructed the apprentices, employed journeymen, and carried on domestic industries. The building up of the free cities of the Continent, through a system of municipal aid and protection, gave the first impetus to a system of diversified industries in central and Northern Europe. At first becoming trading centres from which the surrounding territory was supplied with their manufactures, they gradually extended the field of their operations, and by combining for mutual protection were enabled to engage in foreign commerce. It was during this period, and in the free cities of Europe, that the merchant and craft guilds had their origin and reached the highest point of their perfection and power. The outgrowth of these conditions in the cities of Western Europe was a trading and manufacturing class of people, which laid the foundation for the commercial greatness of that region.

While the trading and shipping of the Mediterranean and of Europe was in the hands of the Italian cities, there existed in Northern and Western Europe a union of cities known as the Hanse Towns, formed for mutual aid and protection in trade and commerce and exerting a wide influence on the commercial affairs of the time.

The Hanseatic League.—Its commercial importance.

The Hanseatic League formed as early as 1241, and continuing until the latter part of the sixteenth century, gave the first note of the increasing traffic between countries on the Baltic and in Northern Germany, which a century or two before were sunk in barbarism. Lubeck and Hamburg commanding the navigation of the Elbe, it gradually spread over eighty-five towns, including Amsterdam, Cologne and Frankfort in the South,

and all the important cities bordering on the Baltic. This league had entire control of the carrying trade and commerce of Russia, Denmark, Norway, Sweden and the Netherlands, and with the Italians, controlled the trade of England. Its merchants exchanged flax, hemp, grains, furs, skins of bears and wolves, for linens, woolens and silks of the South and West. It established factories and commercial agencies in Europe and England. All of the fairs and trading centres were visited by its agents. Charters and privileges were secured from kings and barons, enabling the members of this powerful organization to control and monopolize even the retail and local trade of many countries. They early established themselves in London, and for centuries, under special charters obtained from the kings, exercised a controlling influence on the retail as well as on the wholesale trade of the country. They were finally excluded from the retail trade, but their headquarters in London, known as the Steelyard, were not taken from them, and their privileges finally revoked until 1597. The city of Bruges, in the Netherlands, became a town of great importance, where the trading fleets of the Hanse merchants met the Venetian galleys and exchanged their timber, hemp, flax, pitch, tar, tallow, grain, fish, etc., for the spices and luxuries of the East as well as for the domestic manufactures of Flanders and Italy.

CHAPTER IV.

DEVELOPMENT OF TRADE AND INDUSTRIES IN WESTERN EUROPE.

The primitive inhabitants of the Southern part of the Netherlands (now modern Belgium) were of Celtic and German stock. The Dutch inhabitants of the Northern portion (or what is now modern Holland) were of German blood. By the very earliest accounts of this country, at the close of the Dark Ages, these people are found far in advance of their neighbors in industrial pursuits and civilization. Although differing in blood, they had many things in common. They grew up side by side, trading and bartering together. Their energies took a decided industrial turn, although they were exerted in different fields. The spirit of industry and enterprise dominated the whole of the Netherlands. The South being less marshy and better adapted to agriculture, the people became cultivators of the soil and engaged extensively in manufacturing. While the Dutch, from the very necessity of their situation, like the Venetians and the ancient Phœnicians, became mariners and fishermen, and engaged in trade and commerce.

The Netherlands.—Contrast between the Southern and Northern portions.

The weaving of linen and woolen cloth made the Flemish weavers famous throughout Europe. The making of cutlery, armor, weapons and the tanning of leather formed their chief industries. Flax, hemp and other products of the soil, carpets, damask and velvets, furnished employment for the people in all of their principal towns and villages; yet manufacturing was not carried on as extensively in the North as in the South. The wool of Spain and England was shipped to Flanders to be dressed, dyed and woven into cloth, and sold by the Flemish and Dutch not only to the Spanish and English, but throughout Northern and Central Europe. The condition of their industries in the fourteenth century is described by Mr. Gibbins as follows:

Flemish manufacturers.—Prosperity of the Flemings.

Bruges, Ghent, Lillia and Ypres possessed great commercial prosperity. Each of them had about forty thousand looms constantly at work, largely supplied with wool from England. The city of Ghent in the year 1400 had eighty thousand men capable of bearing arms. The weavers alone furnished twenty thousand. Amsterdam, Rotterdam and Leyden were also great seats for woolen and linen manufactures.

Mr. Gibbins relates the following historical anecdote, which throws much light upon their wealth and independence at this time:

Many stories are told illustrating the wealth of their industries and manufactures. In 1351, for instance, when the Burgomasters of Ghent, Ypres and Bruges went to Paris to pay homage to King John, they were received with what the French thought great pomp and ceremony, but somehow they seemed dissatisfied, for at the great

banquet which was provided in their honor, their seats at table were not furnished with cushions, so to show their dissatisfaction at what seemed to them a lack of due consideration, they took off their rich cloaks, all covered with embroidery, and sat down on them as cushions. After the banquet they rose up and left these cloaks behind them. Some one of the court thinking they had forgotten them, reminded the Flemish of the rich garments they had so carelessly left; whereupon, Simon van Ertrycke, the Burgomaster of Bruges, answered scornfully, "We Flemish are not wont to carry away our cushions after dinner!"

The Belgian cities in the reign of Charles V.—Antwerp the commercial centre of the West.

From the year 1519 to 1556 the Netherlands were a part of the vast dominion of Charles I. of Spain, who became King of Germany, Naples, the Netherlands, Spain and Portugal, under the title of Charles V. It was during this period that the cities of Belgium reached the highest point of their prosperity and commercial greatness. During the first half of the sixteenth century, Antwerp was the commercial centre of the Western World.

It was the gathering place of the merchants and the seat of money changers and bankers. Two or three thousand ships were often crowded in its harbors at one time. It distributed the merchandise of the East and West Indies, which it took from Portugal and Spain, and the manifold wares of the many manufacturing towns of Flanders, Brabant, Southern Germany, to a great extent and to Northern France. At the same time its own looms, anvils, tanneries, glass works, dyeing vats and mechanic shops of various kinds were numerous and busy. . . . Such was Antwerp during the reign of Charles V. and at the time (A. D. 1555-1556), when that weary monarch gave up his many crowns to his evil son Philip II. of Spain, and went away to a Spanish monastery to seek for rest.¹

The chief source of wealth of the Flemish or Belgians was their domestic industry. These countries being situated between England and the centre of Europe, their wares found a ready and extensive market in the countries where manufacturing at that time was not carried on.

Decline of Belgian cities under Spanish oppression.

An event occurred at this time which had an important bearing upon the industrial life, not only of the Belgians and Dutch, but also of the English. It was under the reign of Philip II., who was King of Spain from 1556 to 1598, that the Inquisition was set up and a war of religious persecution was carried on against the Protestants of Belgium and Holland. Protestantism was suppressed throughout Belgium, and the Flemish weavers, who were largely Protestants, were driven out and sought refuge in Holland and England. This dealt to the industries and cities of Belgium a blow from which they have never recovered. Antwerp ceased to be the commercial centre of the West and Amsterdam succeeded to its place. Belgium was conquered and subdued by Spain. The Dutch stood out against the power of Spain, defended their religious institutions on land and sea, and finally won their independence.

The rise and progress of the Dutch furnish a remarkable instance of the triumph of a people over adverse circumstances and obstacles. A

¹ Larned's History for Ready Reference, Vol. V, p. 3716.

marshy, slimy soil, made by the alluvial deposits of rivers, lying below the level of the ocean and subject to frequent inundations was converted into gardens, pastures, and brought to a high state of cultivation. The tides of the ocean were kept back by means of dykes built at great expense, and through centuries of the most incessant toil and hardship. By a system of windmills water was pumped from ditches and the soil drained and re-drained. Without stone or building material the Dutch excelled in architecture, brought stone from distant countries and erected magnificent edifices and built great cities. Without timber or any of the materials used in the construction of a ship, they became the greatest ship builders in the world, and for a time were the absolute masters of the sea, and the greatest naval and maritime power in the world. Wholly dependent on other countries for raw materials, they excelled in manufacturing. Without sufficient arable land for extensive grain-raising, their cities possessed the greatest granaries and storehouses for the grain and food supplies of other nations. Early subject to the piratical raids of the Vikings and Norsemen, they defended their country and industries with that spirit of heroism which in later years made them the terror of the sea. It is not alone in industrial enterprises that the Dutch won their fame. They had a love of liberty, a sense of justice and a moral consciousness which made them the pioneers of the Western world in the establishment of free government, just laws and civil and religious liberty. They defended these most sacred principles against powerful assailants, and upheld them on fields of battle and on the ocean against the most powerful despots of the times.

Commercial progress of the Dutch.

They maintained and defended civil and religious liberty under the most cruel persecutions of Philip II. of Spain and Louis XIV. of France. They were leaders of modern civilization and contributed more to set in motion those ideas and influences which have been undermining the despotic powers and liberating the masses from tyranny than any people of Europe. They were the first in Western Europe to pave the way for free government, as they were also the first to recognize the dignity of labor and the importance of elevating the masses through industrial pursuits. It was an old Dutch maxim which held that, "It is a disgrace not to live upon much less than one's income." By great frugality, industry and enterprise they raised the country from insignificance to the front rank among European nations.

The period between 1580 and 1650 was one of great commercial prosperity for the Dutch. It was at this time that the Dutch republic became the dominating commercial and maritime power of Western Europe, monopolizing the commerce and carrying trade of the world. The bankers and merchants of Amsterdam acquired their wealth, and founded in their city the great banking institutions which controlled the finances of Europe.

*Rivalry in
the Eastern
trade.*

Under the influence of Henry "the Navigator," the Portuguese in the latter part of the fifteenth and early part of the sixteenth century had become great seamen. In 1497, while exploring the western coast of Africa, Vasco De Gama sailed around the Cape of Good Hope and discovered the ocean route to India. Five years before, Columbus seeking for a shorter route between the East and West, had discovered the new world. The Portuguese immediately entered upon the Eastern trade, and by 1542 had firmly established trading stations on the coast of India, the Island of Ceylon, the Maldive Island, and Malacca and Malib. For forty years or until 1580, when Portugal was united to Spain under Philip II., the Portuguese had engaged in this trade, making Lisbon the commercial centre from which the spices and products of India were sold to the Dutch for distribution among the English and on the Continent. In 1591 Philip II., through his jealousy of the Dutch, closed the ports of Lisbon and all Spanish ports to their trading vessels, but this enterprising and undaunted people, ready to risk everything for their fortunes and treasures of the East, sailed past the port of Lisbon direct for the Portuguese trading stations on the coast.

*The Dutch
East India
Company.*

In 1595 Cornelius Hautman, who had formerly been in the Portuguese service, set sail for Amsterdam in command of a fleet of four vessels, and made the first voyage under the Dutch flag to the East Indies. He returned in 1597 with a rich cargo of spices and Indian wares. This was the beginning of the Dutch East India trade. In 1602 the East India Company was incorporated with a capital of 6,000,000 guilders. By 1608 forty-three vessels were sent each year, trading stations were established and warehouses and dwellings constructed. The profits of this trade were so enormous that it soon became a source of great revenue to the Dutch merchants. The ships were sent out fitted for war and merchandise, ready to gain a foothold in the East at all hazards. This afforded an opportunity to raid the Spanish commerce. In the space of a few years the Dutch had destroyed eleven Spanish merchant vessels and crippled and made unserviceable forty others.

The Dutch, however, found not only the Portuguese but the English trading in the East. A fierce struggle for the possession of this trade immediately arose between the Dutch, the Portuguese and the English. In 1613 the Dutch seized the Island of Tymore and drove the English out of Bantam and Jakapra. In 1651 they took from the Portuguese Mulacco, and in 1668 Ceylon. They had also gained a footing in Japan, and were the only people excepting the Chinese with whom the Japanese would trade. In 1660 they took from the Portuguese, Celebes, the last station, and completely expelled them from the East. In 1621 they also attacked the English and massacred their settlement at Amboyna. The Dutch finally gained exclusive control of the Eastern Empire and held the trade until they were compelled to divide it with the French and the English.

During this time, the early part of the seventeenth century, they established colonies in the West Indies, Brazil, Guinea and New Amsterdam.

They had reached their ascendancy in the middle of the seventeenth century and extended their conquests and trade in every part of the world. They finally supplanted the Spanish and Portuguese, destroyed their navies and commerce, being aided in this by the English, and absolutely dominated the carrying trade of the world. From the organization of the East India Company in 1602 to 1650, the Dutch merchants amassed immense fortunes from their Oriental commerce. In 1650 Holland was able to bear the burden of paying the annual interest of 140,000,000 guilders on the debt contracted in her war with Spain. In 1610 the East India Company divided fifty per cent profit among its stockholders, in 1613 thirty-seven per cent, and in 1616 sixty-two and a half per cent. The Dutch West India Company was formed in 1623 for the purpose of trading in Central and South America.

Commercial ascendancy of the Dutch.

In 1618 Admiral Peter Herr captured a whole Spanish fleet and took from it 10,000,000 guilders in value of precious metals. The Dutch West India Company was organized more for making captures of Spanish and Portuguese vessels and plundering the coast of the New World than for anything else. In 1623 this company divided among its stockholders, twenty-five per cent derived wholly from the taking of Spanish vessels. In 1639 the Dutch Admiral Van Tromp defeated the Spanish and Portuguese armada of sixty-seven large ships, 25,000 sailors and 12,000 soldiers. In 1643 the charter of the Dutch East India Company was renewed by payment to its government of 1,600,000 guilders by the company for the monopoly of the East India trade. The naval power of the Dutch was able at this time, in 1650, to destroy all rivals at sea.

The commercial supremacy of the Dutch Republic, however, was broken in its wars with England in 1652, 1665 and 1672, wars waged wholly for commercial supremacy. In 1651 England passed her famous navigation laws for the purpose of crippling and destroying the Dutch commerce and building up her own.

Spain for a time filled her coffers with the precious metals drawn from the mines of the New World by robbing the ancient Mexicans and Peruvians, but this treasure soon disappeared. Made insane or stupefied by the wealth thus acquired and failing to appreciate the advantages of domestic industries, Philip III. in the early part of the seventeenth century, drove the Moors from Granada and adjacent provinces, thus depriving his realm of a manufacturing and trading class that was adding great strength, wealth and prosperity to the kingdom. The population of Spain was also reduced by sending her people off to establish colonies in the New World. The neglect of domestic productions and the persecution of the industrial classes, inflicted an injury upon Spain from which she

Spain injured by her disregard for the welfare of her domestic producers.

has never recovered. The precious metals obtained from the New World were squandered in maintaining armies and conducting wars, and rapidly slipped into the pockets of the Dutch, in the purchase of wares which might have been produced in Spain.

CONCLUSIONS.

Till 1650 the commercial policy of governments that of free trade—General effect of this policy.

In the brief review of the trade and industries of nations above given some significant facts are disclosed, which may be of benefit in arriving at the causes which have resulted in the industrial development of nations in recent times. One fact is certainly worthy of notice. With the bare exception of the Venetians and possibly of other Italian cities, no regulations were imposed by governments to induce the investment of capital in home industries and to encourage domestic producers in such pursuits. So far as governmental regulations and aid are concerned, it was a period of free trade. The lack of progress and of interest in industrial pursuits, which prevailed throughout the world for so many centuries, continued as long as governmental aid and stimulus were withheld from the people. In this respect, it was a period of inaction, indifference and the operation of the natural law of the free traders. People were left to take their own course and go their own way. That barbarous struggle for existence, which is the fundamental basis of free trade, was carried on through all the centuries before the Christian era, through the Dark Ages and down to the middle of the seventeenth century, without industrial advancement or material progress, among the masses. The foreign trade and commerce engaged in was that class so lauded by English economists of buying in one country to sell in another, or what they call an exchange of natural products. For century after century certain products of India were purchased by other nations, without its ever dawning upon them that they could make the same thing themselves. During all this period, the small amount of commerce or exchange of products which took place, was confined chiefly to seaport cities. While this contributed to the power and wealth of certain nations, the ultimate results proved that had the same energy been exerted in the development of native resources, and in the education and employment of the masses in the arts of industry, a more permanent and enduring foundation would have been laid for national defence and independence. This fact, however, will be more prominent when in later chapters the reader will be able to contrast these conditions with the commercial activity and progress which followed the adoption of protective tariffs and the especial encouragement given by the nations of Western Europe to agriculture and manufacturing, from the middle of the seventeenth century to the present time.

Advocates of the doctrine of free trade, persistently refer to "the wise and liberal policy," as they call it, of Holland and Belgium, as an

example of the benefits of the system of free trade. While it is a fact that the Flemish and Dutch established and built up their factories without imposing duties or prohibitions on imports, yet the circumstances under which this was accomplished disclose the fact that they needed no protection. The causes which led the Dutch to put to sea, become fishermen and engage in the carrying trade, are perfectly apparent. Occupying a country destitute of domestic resources, a soil which could not be cultivated, except under great disadvantages; with a coast swarming with herring and with splendid fishing grounds easily within reach, they naturally and necessarily became fishermen and mariners, and looked to the ocean as their chief means of subsistence. What particular cause prompted the Flemings so many centuries before their neighbors to engage in manufacture to the extent to which they did, does not appear. But centuries before manufacturing was thought of in England, and before it was carried on to any extent in France or Germany, the Flemish weavers became famous, and their woolens and linens were sold at all the fairs and markets of England and Western Europe.

Dutch and Flemish manufacturers in no need of protection.

From the twelfth to the middle of the seventeenth century, the Flemish and Dutch manufacturers were absolutely without competition. No fabrics similar to those made in their own looms were shipped into their country, in competition with their domestic productions; hence, there was no necessity for protective duties. The policy of admitting free of duty wool, raw silks and other raw materials, which they were compelled to buy in other countries, is in harmony with the doctrine of protection as practiced by the United States and all other countries which believe in its principles. What the Flemish and Dutch did in this respect, at a time when they held a monopoly of these fabrics and were entirely independent of the injurious effects of free competition, proves nothing. The writers referred to do not state all the facts. They conceal or fail to mention, the policy which Holland and Belgium adopted in later years, when subjected to competition by English and French manufacturers. During the latter part of the eighteenth century, before the Napoleonic wars, England began sending her wares into Belgium and Holland. Belgium reduced by free trade became what was known as the "cock pit of Europe." The industries of Holland suffered materially, and at the close of the Napoleonic wars, when Holland and Belgium were united, they were compelled, in order to shield their industries from the ruinous competition of English goods, to resort to a protective tariff. From the earliest time, the Dutch government gave the greatest encouragement to ship building, and offered the strongest inducements to stimulate foreign trade. The Dutch merchants who organized the East India Company and secured to Holland her most valuable possessions, were induced to embark in the enterprise by being given, under a royal charter, a monopoly of the trade.

Change of policy when competition arose.

*Different
conditions
of Vene-
tian manu-
facturers—
Effect of
protection.*

The situation of the Venetians was entirely different from that of the Dutch and Flemish. They attempted to build up manufactures of fine cotton and silk fabrics, of glass, saddlery, dye stuffs, armor, weapons, etc., requiring great skill and taste, in imitation of, and in direct competition with, Damascus and the old manufacturing centres of the East. Their merchants engaged in the Eastern trade were distributing its wares among the people of Western Europe. The manufactures of Venice were established, her artisans were trained and their skill was acquired in the production of competing articles, in other words, under conditions which necessitated the protection of the home producer against foreign rivals. Venice excluded those Eastern products from her home market to make room for her own artisans and manufacturers. That this policy was wise is attested by the wealth and prosperity acquired by the Venetians through these industries. The Dutch and Flemish on the one hand and the Venetians on the other, afford an illustration of those conditions which determine the economic policy of a nation. It would have been unwise for the Venetians to have neglected manufactures and to have dealt wholly in foreign wares, to build up simply a one-sided carrying trade. It would have been the height of folly, as it was unnecessary, for the Dutch and Flemish to adopt regulations for the exclusion of competing imports when none were offered. It was time for them to consider the question of protection, when the necessity for it arose. The Venetians in the south of Europe, as well as the Dutch and Flemish in the north, owe their prosperity, not to one particular class of trade, but to all classes, in which they engaged. Their carrying trade, their foreign trade for home consumption, their domestic industries, all combined, rounded out their industrial life, gave them larger sources of wealth and prosperity than they would have possessed by narrowing in any direction the field of their enterprises. There is no question that both the Dutch and Venetians engaged more largely in the carrying trade than they would have done, if they had possessed large regions of fertile soil suited to agriculture. If any lesson is to be drawn from the industrial life of these people, it proves the wisdom of that system which develops domestic resources, gives employment to labor and keeps the money and earnings of a people at home to build up their cities, constantly enhancing their wealth, power and independence. When the foreign trade of the Dutch had been crippled and partially destroyed by the English, as their foreign markets were lessened by the growth of the industries of France, Germany and England, their attention was turned toward a better cultivation of the soil and a greater reliance on domestic production for their support and prosperity. The manufacturing centres created by the Italians remained to furnish employment for their artisans, means of investment for their merchants and a basis of business enterprises for centuries after the

*Lesson to be
drawn
from the
experience
of Venice
and the
Nether-
lands.*

foreign commerce and carrying trade of the Italian cities had been destroyed.

If the commercial and industrial history of the world up to the close of the sixteenth century teaches anything, it is the advantages of domestic production and that the permanent prosperity of nations has always rested on those pursuits which furnish employment to people and the investment of capital at home. The encouragement of home production has stimulated a greater degree of thrift and enterprise and made the people more patriotic. Up to the time when the Venetians established their manufactures it was not thought by any people that they could possibly make what they had been buying in other countries. It was not until the people of Western Europe conceived the idea that they could make their own clothing and implements, that the foundations were laid for that vast manufacturing system which has contributed so largely to the wealth and prosperity of their people. As long as Western Europe relied upon the East for manufactured articles, there was no progress or improvement. It was not until England, France, Germany, Switzerland and the whole of Western Europe, in the seventeenth and eighteenth centuries, imitated the example which had been set by Venice and Flanders, and turned the attention of their own people to manufacturing, that their material progress and prosperity began. As long as they continued to buy their wares of the Flemish and the Venetians, they remained poor. From this time dates the foundation of the greatness of the nations of modern times. It has been by encouraging the cultivation of the soil by special inducements offered to the investment of capital in manufacturing and by stimulating ship building and foreign trade through governmental regulations, especially adopted by these nations that their commercial greatness has been assured. The people of France were wearing the woolen clothing made by the Flemish and did not establish woolen factories until Robais, a Hollander, was invited to France and induced to establish a woolen factory at Abbeville, under the protection of the government. The people of England had shipped their wool to Flanders where it was carded, dyed, made into cloth and returned to them to clothe their people. They did not establish woolen factories until Edward III. invited John Kemp, with his weavers into England to set up their industry, prohibited the export of wool and gave the woolen manufacturers the protection of the government. The whole history of the world up to this time proves that the people left to themselves will not abandon old pursuits, embark in new enterprises and carry on those industries suited and beneficial to the State, excepting under the direction and encouragement of the government. Those nations which have continued under the policy of free trade and in which the people have been left to take their own course, have made little or no improvements in industrial pursuits. They are

General conclusions.

just where they were centuries ago. Only those nations which have received protection and encouragement from their governments, which have engaged in manufacturing and developed most fully domestic industries, have become the greatest commercial nations.

PART II.

EARLY ENGLAND UNDER FREE TRADE.

CHAPTER I.

SOCIAL AND INDUSTRIAL CONDITIONS PRIOR TO THE FOURTEENTH CENTURY.

England was purely an agricultural country until the middle of the fourteenth century when steps were taken toward establishing manufactures and developing a system of diversified industries. The early history of England is necessarily of but little interest and throws but little light upon the question under consideration. The older histories of the country are devoted to accounts of the military achievements and doings of kings and rulers rather than to an inquiry into the conditions and life of the people. But in recent years much light has been thrown by very able and industrious English writers upon the social conditions, laws and customs of the people during a period which until lately had not been accessible to the general public. Those who are denied access to the original documents and records from which these writers have gathered the facts from which they have constructed their histories are not, however, without means and materials of the most reliable and authentic character from which to draw conclusions relative to these subjects. The world can never pay the debt it owes, or accord too high a recognition to Professor W. Cunningham, of Trinity College, Cambridge, for the service he has rendered in this respect, in writing of the industrial legislation of England prior to the year 1800. The writer must at the outset, make an especial acknowledgment of the aid which he has received from the efforts of this distinguished author, although the material presented is also gathered from many other sources as will appear from the citations made.

*Early
economic
history of
the English
people.*

A brief outline of the condition of the English people during this early period becomes important for the purpose of showing the causes which contributed to the delay on the part of England in establishing manufactures and engaging in commercial undertakings. It will appear that it was the result of erroneous economic ideas. True appreciation of the importance of diversified industries to a nation did not arise until England had been twice invaded and overpowered by foreigners, and until her weak and defenceless condition became apparent by the contrast afforded

*Early
political in-
stitutions.*

by the wealth and power of her neighbors across the channel, who by a system of manufacturing and shipping had become centuries in advance of the English, and were famous for their opulence and strength.

From the first to the early part of the fifth century, the island of Britain was a province of the Roman Empire. During this period it was spoken of by Latin writers as a rich agricultural region. It was invaded and conquered in the fifth century by the Anglo-Saxons, and held in independent kingdoms till united under Egbert of Wessex in 827. Successive Anglo-Saxon monarchs continued to govern the country until the year 1013, when it was conquered by the Danes. Canute ascended the throne and the country again passed under the rule of foreigners. At the time of the Danish invasion, a system bordering closely on feudalism had become so universal that but little change in the form of government was experienced. The feudal system was established in all its vigor in 1066, when the country was again invaded and conquered. At this time, at the head of a powerful army, William, of Normandy, defeated King Harold at the great battle of Hastings and made himself master of the country.

The Anglo-Saxons brought with them from Northern Germany democratic institutions. They lived in tribes, elected their chief by popular vote and managed their own affairs. Either by kinship or social ties, they settled in groups or communities, owning in common and occupying a portion of territory which was separated from the land of similar communities by a boundary line called a "mark." The land within this geographical division formed the Anglo-Saxon mark, in Norman times the English manor and later the English parish or township. These German landowners were political equals and known as English freemen. The affairs of the community were governed by a council, in which each markman or freeman had an equal voice. "The actual sovereignty," says Greene, "within the settlement rested in the bodies of its freemen." The land within the "mark" was divided into forest, pasture and arable land. Each freeman had a strip of land to cultivate, could pasture his cattle on the common and take wood from the forest.

*The manor.
—Degradation of the
freemen.*

The Anglo-Saxon and Danish wars had brought about a complete social revolution. The people had lost their ownership of land and the right to participate in the election of their chief. The old nobility of blood had passed away, and a military nobility, composed of those warriors who had served the king, became vested with authority. Greene refers to this transformation in the following language:

The ravages and the long insecurity of the Danish wars aided to drive the free farmer to seek protection from the Thengs (military nobles). His freehold was surrendered to be received back as a fief, laden with service to his lord. Gradually the lordless man became a sort of outlaw in the realm. The free churl (freemen)

sank to villein (serf), and with his personal freedom went his share of the government of the state. The great mass of the people had lost their right of participation in the government and had become reduced to a condition but little better than slavery. The manorial system, which formed the basis upon which feudalism was constructed, had been fully established. The word manor is a Norman name for a Saxon township or community, and it differed from the mark in this; the mark was a group of householders organized and governed on a common democratic basis, while in the manor we find an organization and government whereby a group of tenants acknowledged the superior position and authority of the lord of the manor. . . . The great feature of the manor was, that it was subject to a lord who owned absolutely a certain portion of the land therein and had rights of rent (paid in service or food or money or all three), over the rest of the land.¹

The manor, like the mark, was divided into pasture, forest and arable land, but the rights of the people had changed. Persons taken in war were made slaves. The slave class had greatly increased. Many freemen had sunk even below the position of serfs, had lost all their rights, and been reduced to slavery. Even before the Norman Conquest, the country had passed into the hands of a merciless and arrogant aristocracy, owing no allegiance to the people, respecting only the authority of the king. The principal change wrought by the conquest was the substitution of the Norman king and his followers for the English nobility and old lords of the manors.

At the close of the conquest there were 9250 manors in England. The English nobility had either fallen in battle or fled the country, although in some instances they surrendered their holdings under a compromise with the new authority. All the lands, however, were confiscated by King William, and with few exceptions were parceled out among his followers. "Two hundred manors in Kent, and an equal number in Chester, rewarded his brother Odo. Grants, almost as large, fell to his ministers, Fitz Osborne and Montgomery, and the barons like the Mowbrays, Warrens and Clairs." Every soldier was given a piece of land as a reward for his services. The king held large tracts in person, the manors thereon being worked by bailiffs appointed by the king. The great baron owning many manors, was known as the tenant in chief. While he occupied a manor he sublet others to those who became "tenants in mesne." These tenants of the king constituted the barons, lords and nobility of the realm. The land was called a fief and the title remained in the king, the tenant holding it under an agreement to render military service and aid in sustaining the authority of the monarch. A sub-tenant was bound by the same conditions of service to his lord, and also to the king. The creation of this relation under which the noble became vested with his estate, was surrounded with great pomp and ceremony. "Laying aside his arms, with bared head and placing his hands between those of his lord, he took the

*Land
tenure.*

¹ History of the English People, p. 90.

following oaths: 'Here, my lord, I become liegeman of yours for life and limb and earthly regard, and I will keep faith and loyalty to you for life and death, God help me.' The kiss of his lord invested him with the land or fief, to descend to him and his heirs forever." The people living on the manor at the time of the conquest were undisturbed. They became bondsmen of the new nobility, and continued as before to obey their lord and render him service. In every manor was the manor house occupied by the lord or his bailiff. In this building was held the baron's court and the leet court. The church, the house of the priest and other buildings for the servants and retainers of the lord surrounded the manorial mansion. The great mass of the people living on these manors were divided as recorded in the Domesday book, the census taken by the Conqueror, as follows:

First, the villeins, who formed 38 per cent of the whole population and who held thirty acres of arable land apiece; second, below the villeins came the cotters or bordars, a distinct class below the former, who probably held from five to ten acres of land and a cottage, and did not even possess a plow, much less a team of oxen apiece, and had to combine among themselves for the purpose of plowing. They formed 32 per cent of the population. Finally came the slaves, who formed only 9 per cent of the population.¹

The villeins, cotters and slaves were all bound to the soil and owed allegiance to the lord of the manor. They were incapable of holding property in their own right, could be sold as chattels and transferred with the manor. If they left the manor they could be reclaimed by their lord and compelled to return. The lord had power to cast them in prison, could beat and chastise them as he liked, yet the villeins and cotters, as fixtures upon the lord's estate, were recognized as having certain rights. Each had the right to live upon his particular piece of land, to pasture his cattle upon the common or waste and to take fuel and timber from the woods.

Free tenants constituted a separate class having certain rights superior to the villeins. They occupied holdings for which they paid a fixed rent, were not bound to the soil but could transfer their right to the land and go where they pleased; but they were subject, to the jurisdiction of the lord of the manor, and were also obliged to perform military service, which was not required of the villein. The condition of the people is disclosed by the fact that at this time the free tenants constituted only four per cent of the entire population.

Many of the boroughs and towns of England had their beginning in a cluster of houses which grew up about the manorial mansion, and finally became trading centres and places in which the nobility congregated and resided. They were all, however, dominated and governed by the feudal system and controlled and managed by lords, barons and kings and

*Growth of
the towns
and cities.*

¹ Gibbin's Industrial History of England, pp. 12-13.

subject to the same arbitrary exactions and restrictions, as the rural population. As they grew in importance, becoming centres of trade, the number of free tenants increased, land became divided into smaller parcels and freeholders became more numerous. As in the rural districts, it was the freeholders of the towns and boroughs only, who held the right to participate in their government. During the twelfth and thirteenth centuries, the English nobility was seized with the religious zeal of the age. Kings and barons joined in the great crusades to drive the infidels from the Holy Land. Armies were equipped for these long and perilous campaigns across the Continent, to fight the battles of the cross. Royal treasuries were exhausted, manors mortgaged, and every exertion was made by the nobility and kings to raise funds to carry on the expensive expeditions. That the Christian religion received a great impetus from these movements there can be no question. These wars were a great civilizing agency. Trade and commerce were expanded by developing in the nobility of the West a taste for Eastern luxuries and forming new modes of living. The people of the West imbibed the learning of the East, and a great intellectual revival followed. The free citizens, the trading classes, improved the opportunity by furnishing means to the crusaders. They obtained charters for their cities and boroughs, and secured municipal rights and privileges, which laid the foundation of their future political and commercial importance. "Portsmouth and Norwich gained their charters by paying part of Richard I.'s ransom (1194). Again Rye and Winchelsea gained theirs, by supplying the same king (1191) with two ships for one of his crusaders." Many other cities and boroughs by advancing money to fit out these expeditions or to pay off the debts of the barons, secured privileges and advantages which contributed largely to their growth and independence. Among these privileges were the right to pay a fixed sum in taxes and to collect it themselves; the right to elect a mayor and to pass ordinances and rules for the regulation of their own affairs. It was through the freedom of the cities, that there arose a body of English freemen, whose political rights were not connected with, or dependent upon, the will of the king or nobility; whose interests ultimately became centred in trade and commerce. Under the great advantage of combination, community of interest, and that contact with their fellows which tends to sharpen and broaden the intellectual faculties, they became progressive, enterprising and ambitious to acquire wealth and engage in trade. It is in the cities and among this industrial class, that we find the first evidences of improvement in the social condition, material welfare and enlargement of the rights, liberties and privileges of the masses. Their growth was slow, the whole country being under the blight of tyranny, excessive poverty, ignorance and degradation, and it was only through centuries of slow development that their conditions were improved. Feudalism held a monopoly of the soil, the first and at that

*Effect
of the
crusades.*

*Social conditions.—
Domestic life.*

time the only means of subsistence; and as long as the people were compelled to depend upon their military masters for food and clothing or the means by which they were obtained, they were powerless to throw off the condition of bondage.

We have now very briefly touched upon the form of government, system of land tenures, the incipient stage in the growth of cities and boroughs and the enslaved condition of the great body of the people, up to the fourteenth century. It was not until the middle of the latter century that a change of policy was entered upon, under which means of employment were opened up, independent of the landed aristocracy. The rights, privileges and prosperity of the nobility only were deemed worthy of consideration. Kings and nobles were everything; the masses of the people were as nothing. Feudalism was a military despotism. The degraded and barbarous condition of the nobility in the fourteenth century, is described by Professor Cunningham, as follows:

The great landowner was frequently on the move from one manor to another, and the practice of making a brief sojourn on each estate continued long after the commutation of food rents for money payments had rendered such a course unnecessary. This may to some extent account for the curious lack of comfort, to which rich men of Norman and Angevin times submitted. They and their retinues would be sheltered in a large hall, with one private chamber—the solar—at the end. There was little or no furniture, as the rough tables on trestles and benches brought out for meals were cleared away, when the company settled themselves to sleep on the straw with which the unboarded floor was littered. A lack of knives and forks, of glass and china, rendered inevitable habits of drinking and eating which are inconsistent with our notions of refinement; while the debris of the banquet was discussed by the dogs on the floor, and was finally removed when a great occasion required that the hall should be strewn with fresh straw. When the food which could be conveniently stored in one centre, began to give out, the cavalcade would move on to another estate, each of which was separately managed, and each of which would afford subsistence for a longer or shorter period of residence.¹

It may be suggested that there could not have been much left on the manor for the villeins and cotters after these hungry lords and their dogs had left. Common people must have lived in a condition of most revolting misery and degradation.

*Gradual emancipation
of the lower
classes.*

Between the nobility and king stood the free tenants. They could hold property, engage in business, sit on jury, sue for their rights and, after the "Magna Charta," (1215) could not be arrested, imprisoned or deprived of their property, excepting by due process of law. It was by the increase of this class that civil and religious liberty was secured and that body of English freemen arose which ultimately controlled the destinies, morals, civilization and commercial policy of the people.

It is only necessary here to suggest some of the first stages in the gradual emancipation of the masses, from the tyrannical domination of kings and nobles. As the common law of England developed, and customs

¹ Outline of English Industrial History, p. 31.

and statutes for the establishment of individual rights and for the promotion of justice were more and more recognized and humanely interpreted by the courts, a change from the hard conditions of feudalism toward representative government, began to be effected. The beginning, however, of the increase of the power of the people, through the action of parliament is traceable to an improvement in their material welfare which grew with, and accompanied the rise and development of the commercial and trading classes. As new means of employment were opened, as industries became established, business increased, the incomes of the people were enlarged, they became less dependent on the ruling classes, and the growth of free government was made possible. The independence thus brought about enabled the commercial classes to obtain recognition, and to demand and enforce rights and privileges which they were powerless to insist upon under former conditions.

Improvement in the condition of the people.

Without specific parliamentary enactments it became the practice of the courts to recognize certain customs and usages as conferring upon bondsmen the rights of freemen, and as being evidence of freemanship.

1. An illegitimate born in villeinage, having no inheritable blood, could not inherit the conditions of the villeinage.

2. A villein remaining unclaimed for a year and a day, in any privileged town, was freed from his villeinage.

3. The lord might at any time enfranchise his villein.

4. There were many acts of the lord from which the law itself would infer enfranchisement, whether designed or not. These embraced all of those acts by which the lord treated a villein as a freeman, such as (1) vesting in him ownership of land; (2) accepting from him the feudal solemnity of homage; (3) by entering into an obligation under seal with him; (4) by pleading with him in an ordinary action.¹

Although disturbed by foreign wars and internal strifes, constantly drained by excessive taxation, with kingcraft absolute, and many other causes operating to hinder the growth of industrial life, there came a revolt, first from the merchants of London and next from those who desired to set up industries against that free trade policy which favored strangers to the exclusion of Englishmen. This revolt was born of the spirit of protection, enterprise and progress. As it was fostered and given a chance to develop, improvement came to the masses. It was this spirit which laid the foundation for that industrial activity, which culminated not only in the commercial greatness of England, but which wrested the power of government from kings and barons, and transferred it to English freemen. It was this spirit which animated the Anglo-Saxon people in their struggle for civil and religious liberty. It is this spirit which has been the mainspring of civilization and progress wherever independence and national greatness have been secured.

¹ Dean's British Constitution, pp. 20-21.

CHAPTER II.

TRADE AND COMMERCE MONOPOLIZED BY FOREIGNERS.

*English
industry
in the
fourteenth
century.*

At the close of the fourteenth century England was purely an agricultural country. Mr. Gibbins, in speaking of their manufacturing industries at the time of Edward III., says:

There was a considerable manufacturing industry chiefly of coarse cloth, an industry very widely spread and carried on in people's own cottages under the domestic system. The chief kinds of cloth made were hempen, linen and woollen coverings, such as would be used for sacks, dairy cloths, wool packs, sails of wind-mills and similar purposes.¹

The principal source of English wealth and revenue at this time was wool. In the middle of the fourteenth century the annual value of the export of wool was 180,683 pounds sterling. The taxes of Edward III. paid in wool were calculated not in money but in wool sacks.

In one year parliament granted him 20,000 sacks, in another 30,000 sacks and in 1339 the barons granted him the tenth sheep's fleece and lamb. Early in the fifteenth century 30,000 pounds sterling out of 40,000 pounds sterling, revenue from customs and taxes, came from wool alone.²

*The sur-
render of
the home
market to
foreigners.*

The commercial policy of England was conducted wholly upon free trade lines. Not only was the greatest liberality extended to foreigners in trade, but they were encouraged to bring their wares into the country for sale. Royal charters were granted to them, under which they enjoyed the privilege of establishing headquarters in London, and there monopolizing the trade and business of the country. The merchants of the Hanseatic League, the Italians and the Flemish, held privileges that were not enjoyed by Englishmen. Under these special charters they were permitted to bring their goods into the country, duty free, and to monopolize, not only the wholesale but the retail trade. Soon after the Norman Conquest, a few mechanics and artisans came from the Continent, but it was a long time before an artisan class arose.

Immediately following the Norman Conquest, a number of Flemish weavers who had been deprived of their homes by an inundation, and had immigrated to England, sought the patronage of Queen Matilda, who was a Flemish woman. It does not appear, however, that any important results followed their settlement. The building of castles, monasteries and cathedrals, which followed the Norman Conquest, invited masons and

¹ Industrial History of England, p. 51. ² Id., p. 50.

mechanics from the Continent, who remained and contributed to the mechanical skill of the country.¹

A number of merchants followed William the Conqueror and set up business in London. At this time wool was exported to Flanders and cloth imported. In 1155 the articles of export were lead, tin, fish, fat cattle, wool and jet. In 1221 wine was obtained from France and Lorraine. As early as the time of Ethelred, the Germans received a license to establish trading quarters in London. Similar privileges were granted to the merchants of Cologne, by Henry II., in 1157. They were to be protected in London as his own men, both in their merchandise, possessions and houses, without interference from any one. Under Richard I. they received still further privileges. They were to pay only two shillings a year for their quarters, and were exempt from payment of customs, and had the freedom of all the fairs in the realm. This charter was subsequently confirmed by King John and Henry III. These German merchants established headquarters in London, in a place assigned to them, called the Steel Yard, which they occupied for centuries. They elected their own alderman, and their headquarters became a place of great commercial importance. The Flemish merchants were also granted a house of their own. These privileges were extended by Edward II., and successive English monarchs. In 1325 Edward II. gave to the Venetian merchants full liberty to sell their merchandise in England. Edward III. gave additional rights to the merchants of the Hanseatic League in consideration of an advance of money for the redemption of his crown jewels, which he had pawned at Cologne. The bankers of Florence had also loaned Edward III. a large sum of money. They were made collectors of his customs and extensively operated in England under privileges procured from the king.

*Privileges
granted
foreign
merchants
in London*

At this time the people of England were without merchant vessels, men-of-war or foreign commerce. They were also without domestic industries, and relied upon foreigners for all clothing, weapons and implements, excepting those of a coarse domestic make. All articles from abroad passed through the hands of foreigners, who, of course, were constantly prospering from this trade. Even the wholesale and retail trade of the cities and boroughs was to a large extent monopolized by aliens. An utter disregard was shown for the welfare and prosperity of the masses. This system of placing a premium upon the business of merchant strangers and sustaining the industries of the Venetians and Dutch, was pursued until England realized her insignificance, and became not only jealous, but in constant fear of the power of her neighbors across the channel. That England should have been several centuries behind the people of the Continent, in industrial life, was the natural and inevitable result of this policy. The Hanseatic League

*Commer-
cial insigni-
ficance
of England
under this
system.*

¹ Growth of Eng. Ind., Vol. I., pp. 138-139.

continued to hold their quarters much longer than the Italians. As late as 1474 more favorable terms and privileges were extended to them by Edward IV. They were given absolute possession of their guild halls in London, and also permitted to establish quarters in Boston and Lynn. It was not until the reign of Elizabeth in the year 1597, that their charters were finally annulled. For nearly four hundred years this powerful organization of German cities by their wealth, persistency and political influence were enabled to flood England with foreign wares and hinder the industrial development of the country. During the fifteenth century their privileges were exercised in the face of the constant protest of London merchants, and by the unwilling acquiescence of English monarchs, who by their need of money, lack of ships and dependent condition were too feeble to protect the rights of their subjects. The trouble encountered by the English people in expelling these alien merchants who had been sapping the life of the country, and in gaining control of their own markets and becoming relieved from their exactions, shows how difficult it is for people reduced by a free trade policy to rid themselves of the entanglements and complications of such alliances.

*Revolt
against
aliens.*

The English people embarked upon a policy of developing their own resources and establishing industries under most serious difficulties. It was a struggle with powerful and wealthy rivals, who had not only been long in the business with their industries well developed, but who held an absolute monopoly of English markets through political and financial influences. The English monarchs, engaged almost constantly in foreign wars, were not only compelled to borrow money of strangers, but could not displease them without embarrassing their own plans. The more wealthy and powerful rivals could not at once be cut off from English trade. Besides England had no ships, and her merchants could not at once build merchant vessels and put to sea without the protection of men-of-war, and this they were too poor to afford. The development of industries was necessarily slow for other reasons. The mass of the people were ignorant and unskilled. Their tastes and training had been confined to the cultivation of the soil, and they had no money to invest in business enterprises. If the landed aristocracy had any ambition, it lay in the direction of foreign conquests and military achievements. Without shipping, without a navy and constantly being drained of their treasure, the people were so tightly bound by the fetters of free trade, that a change of policy was most difficult. The gradual rise of the industrial classes first appears in a revolt against aliens. Edward I. imposed higher duties on goods imported by strangers than upon similar articles brought in by natives. He appointed officers to collect duties, prevent smuggling and enforce laws. This policy was reversed by Edward II. and the privileges of foreigners restored. At this time complaints arose among the merchants of London against the Italians and Germans. It was stated in

their petition to Edward III. that, "*The citizens that bore the common burdens of the town were impoverished by the competition of foreigners, whose stay was unlimited.*" But no relief was granted. These complaints were continued from time to time, until Edward III., in 1327, by charter commanded, "all merchant strangers coming to England to sell their wares and merchandise within forty days of coming hither, and to continue to board with some free hosts of the city. . . . Without any household or society by them kept." This charter was followed by another exercise of royal prerogative in 1376, which prohibited all strangers "from selling any wares in the city, or any suburbs of the city, by retail or through a broker."¹

This, however, applied only to the city of London, and the Hanseatic League was not included within the restrictions. The struggle between the home and foreign merchants continued for many years. It was not, however, over the importation of goods, the building of factories and the employment of labor in England, but upon the policy of allowing aliens who brought the goods into the country to monopolize, as they long continued to do, retail as well as wholesale trade. Parliament finally came to the rescue of the foreigners and by a statute² granted full freedom to the alien merchants in utter disregard of the ancient charter rights of the city of London, to fix its own tolls and customs and to regulate trade within its borders. Edward III., however, renewed the charter of the city, providing in the instrument that, "No strangers shall from henceforth sell any wares in the same city or suburbs thereof by retail, nor by any broker in said city or suburbs thereof, any statute or ordinance made to the contrary notwithstanding." But during this agitation, Edward III. was under such obligations to the merchants of the Hanseatic League, that they were exempted from the operation of this charter, and their privileges continued as before.

¹ Growth of Eng. Ind., Vol. I., p. 270. ² 9th Edw. III., c. 1.

CHAPTER III.

FIRST ATTEMPTS AT PROTECTION.

*Protection
introduced
by Edward
III.*

From 1327 to 1377, a period of fifty years, Edward III. reigned over the English people. At a time when the spirit of chivalry was in its zenith and foreign conquest and military achievements were the highest ambition of a king, Edward III. entered upon a commercial policy which gave him a greater distinction than all the glory gained in the victory of Crecy or in any of his military achievements on the Continent. The appellation of the "Father of English commerce," has been conferred upon him by the generations of people who have prospered under the influence of that mercantile policy, which he gave to England. Henry C. Carey says the

Magna Charta secured the privileges of the aristocracy, but the statute of 1337 laid the foundation of the liberties of the people, by providing for the diversity of their employment and the development of individual faculties; as a consequence of which the change of system was followed by a rapid increase of both individual and national power¹

Considering the circumstances and conditions of the times, the establishment of this policy by Edward III., is one of the most important episodes in the history of England.

In 1331 he invited John Kemp, a Flemish weaver, guaranteeing to him special protection, to set up cloth weaving in England, and he came with his servants and apprentices, both weavers, fullers and dyers. He and his men were to enjoy the king's protection and were encouraged to exercise their craft, and to instruct those who wished to learn.² Further than this Edward³ invited artisans from all countries to settle in his realm, guaranteeing them full protection in setting up their crafts. About this time, weavers came from Zealand and Brabant. "In 1368 three clock makers from Delft were encouraged to settle and ply their trade in London, and a craft of linen weavers was also introduced before the end of the century."⁴

In 1337, however, an act was passed⁵ which made the reign of this monarch one of the most famous in the commercial history of England. It was the first of that long series of parliamentary enactments, which fostered and encouraged English industries and attempted to establish the

¹ Social Science, p. 180.

² Growth of Eng. Ind., Vol. I., p. 283.

³ 11th, Edw. III., cc. 1-5.

⁴ Growth of Eng. Ind., Vol. I., p. 285.

⁵ 3d. Edw. III., cc. 3-4.

policy of protection in Great Britain. This statute prohibited the export of wool so that it might be turned to the manufacture of cloth in England. The importation of cloth was prohibited. All Englishmen were required to wear domestic cloth, excepting in those instances where the statutes permitted the wearing of furs. Mr. Cunningham in speaking of the result of this legislation says:

The fact remains that he (Edward) did introduce the manufacture of the old drapery, which was prosecuted so successfully that the export of raw wool declined, as home manufacture came to flourish more and more. It is interesting to observe, too, how closely many subsequent efforts to plant new industries followed on the lines that Edward III. had laid down.¹

The instances in which Edward favored the Italians and Germans, and those other acts of liberality toward foreigners, are mentioned by many economic writers as an illustration of free trade tendencies in this monarch. But taking his whole career into consideration, those acts may be accounted for by his impoverished condition, his dependence on those foreign merchants for loans as well as their ability to embarrass his political schemes. The treatment which he would have extended to foreigners, had he been less dependent upon them, is indicated by the special efforts made to establish industries and build up a commercial class. He declared his "sovereignty of the sea," and would undoubtedly have enforced it, had he been provided with the means to construct a navy. The broad and comprehensive commercial policy which he had in mind cannot be mistaken. This legislation was certainly in response to a growing feeling among the people of the importance of building up industries in England.

This policy begun under Edward III. was further developed by his successor, Richard II., in whose time complaints were renewed against alien merchants. They were accused of enhancing prices by combinations to the injury of local merchants and dealers; to prevent such practices an act was passed which provided as follows: "It is ordered and assented that no merchant stranger alien shall sell nor buy merchandise within the realm with another stranger merchant alien to sell again."²

Protection continued by Richard II. First Navigation Act.

The first effort on the part of parliament to encourage domestic shipping contained the following provision: "To increase the navy of England which is greatly diminished, it is assented and accorded that none of the king's liege people do from henceforth ship any merchandise in going out or coming within the realm of England in any port, but only in the king's legation."³ It does not appear that this law was enforced or that it had any effect in stimulating shipbuilding. It was at a much later period, and under navigation laws specially

¹ Growth of Eng. Ind., Vol. I., p. 285. ² 26th, R. II., c. I. ³ 15th R. II., c. 3.

enacted at the time, that the period of shipbuilding and the growth of merchant shipping began. By section two of the preceding statute, the export of bullion, gold, silver coin, plate, etc., was prohibited.

Corn Laws.

Protection to agriculture was also embraced within this policy. In 1453 the merchants of the Hanseatic League began to bring large quantities of wheat into the country. This interference with the agricultural interests by foreign competition was restricted by a statute¹ which prohibited the import of foreign-grown grain, when the price of wheat at the port of entry did not exceed six shillings and eight pence to the quarter.

It was during this period, and especially under Richard II., that the system of bondage among the agriculturalists was abolished, and the rural population given the occupancy of land under leases and copyholds. This change connected with the system of protection to agriculture, which was inaugurated and subsequently enforced for centuries, with great vigor, built up that large body of yeomanry which added so much to the independence and strength of the English people.

*Extension
of the pro-
tective
policy.*

Though the outcry about the interference of foreigners in the great manufactures of the country had no immediate effect, serious efforts were made in the latter half of the fifteenth century, to encourage native industry, partly by prohibiting the importation of finished goods, and partly by encouraging the importation of materials. In 1455 a complaint was made on behalf of the silk women and spinners of the mistery and occupation of silk working in London, that the Lombards, with the intention of destroying the said mistery, were introducing ribbons and chains, falsely and deceitfully wrought, all manner of girdles and other things concerning the said mistery and occupation, in no manner-wise bringing in any good silk unwrought as they were wont to bring heretofore; and parliament entirely prohibited the importation of these goods under the penalty of forfeiture, together with a heavy fine.

The reigns of the Yorkists were particularly distinguished for the eagerness with which this policy was pursued. Edward IV. passed similar measures with regard to silk in 1463 and 1483; but the former statute contained another clause of a far more sweeping character. It complains that owing to the import of wares "fully wrought and ready made to sale" the "artificers cannot live by their misteries and occupations as they have done in times past, but diverse of them as well householders as hirelings and other servants and apprentices, in great number be this day unoccupied and do hardly live, in great misery, poverty and need," and it proceeds to prohibit the introduction of a very miscellaneous assortment of finished goods.²

It seems hardly credible that up to the close of the fifteenth century England was relying on the Continent for such a variety of articles of ordinary domestic use, as were excluded by this act. The following is a list of the articles prohibited to be imported by the act referred to by Professor Cunningham, passed in 1463, to-wit:

Woolen caps, woolen cloth, laces, corses, ribbands, fringes of silk and thread, laces of thread, silk twined, silk in any wise embroidered, laces of gold, tyres of silk or gold, saddles, stirrups, or any harness pertaining to saddlery, spurs, bosses

¹ 3d, Edw. IV., c. 2.

² Growth of Eng. Ind., Vol. I., pp. 384-5.

of bridles, andirons, gridirons, any manner of locks, pinsons, fire tongs, dripping pans, dice, tennis balls, points, purses, gloves, girdles, harness for girdles of iron, latten steel, tin or of alchemine, anything wrought of any tawed leather, any tawed furs, buscans, shoes, galoches, or corks, knives, daggers, wood knives, bodkins, shear for tailors, scissors, razors, sheaves, playing cards, pins, pattens, pack needles or any painted ware, forcers, caskets, rings of copper, or of latten gilt, or chafing dishes, hanging candle-sticks, chafing balls, sacring bells, rings for curtains, ladles, skimmers, counterfeit basins, ewers, hats, brushes, cards for wool, blanch iron thread, commonly called white wire.¹

Henry VII. whose administration is particularly distinguished for the attention given by him to the accumulation of capital and encouragement of industries in 1488, induced skilled laborers to come from the Continent and instruct his people. Another act was passed at this time² which prohibited the export of wool and the export of white ashes was prohibited in order that a plentiful supply of material might be had for making and dressing wool.³

In 1552 a general act was passed for the regulation, control and encouragement of the woollen industries of the realm. Cunningham in speaking of the success of the protective policy at the time of Queen Mary at the close of the period in question, says:

*Effect of
the protective
policy.*

It was the means of giving special advantages to English merchants and of protecting English artisans. This definite political object was kept clearly in view with regard to direct and indirect taxation alike. In the very same year in which the general subsidy was voted which aliens paid at a double rate, the king was empowered to rearrange the whole scheme of rates and the subsequent manipulation of the new customs, was prejudicial to alien merchants, while the levying of impositions was favorable to the English artisans. The conditions under which aliens had to trade, were rendered so hard that as soon as the English shipping again revived under Elizabeth, they were driven out of the field; in the time of Edward III., they had done most of the trading of the country, but they had been gradually forced alike out of internal trade and foreign commerce.⁴

At the close of this period, a revolution had been wrought in the industrial life of the English people. A people familiar with and adapted to agricultural pursuits alone, had been transformed into skilled mechanics. Artisans from the Continent had become instructors through inducements and special advantages offered by this policy. Busy centres of industry were growing up in localities which had thronged with tramps and beggars. The agricultural districts surrounding the towns and boroughs, where shops had been established, were finding a local market for farm produce, and receiving in exchange tools, implements and clothing. New fields were opened for the employment of labor, the development of talent, skill and the cultivation of enterprise and business ability. The English people were beginning now to supply themselves with the manufactured articles which prior to the adoption of this policy had come from the factories and workshops of Europe.

¹ Cunningham, Vol. I., p. 385. ² 4th, H. VII., c. 11. ³ 22d., H. VIII., c. 2d and 37th, H. VII., c. 15. ⁴ Cunningham, Vol. I., p. 490.

CHAPTER IV.

RISE AND FALL OF TRADE GUILDS.

*Guilds—
Merchant
guilds.*

As a part of the industrial life of the people of the free cities and boroughs, there grew up a combination of persons for mutual protection and benefits in trade. It is not necessary here to attempt to describe the ancient "peace guilds" or those organizations formed for religious and charitable purposes known as "religious guilds."

In the Middle Ages the tradesmen of these cities formed associations known as "merchants' guilds." As the cities and boroughs grew in importance, and as tradesmen increased, the citizens of these municipalities combined to control the trade and industries, and later their power was extended to municipal affairs. Under their earlier charters, the merchant guilds secured the right of coinage, grants of fairs and exemption from tolls. They framed the regulations for the sale of goods, the location and control of markets, the collection of debts, of tolls and customs, the regulation of prices and quality of goods. Their participation in politics arose from their influence and numbers, rather than from any special chartered privileges. Merchant guilds continued until the close of the fourteenth century, when they were superseded in their influence, at least, by the "craft guilds."

*Craft
guilds.*

Craft guilds were a combination of artisans or craftsmen associated for the purpose of carrying on trades. A seven years' apprenticeship was required; minute rules and regulations were adopted, fixing hours of labor, wages and quality of goods. The body was governed by a board of overseers or wardens, selected from their number, who inspected work, enforced ordinances, collected fines and expelled members. An expelled member lost his right to pursue his occupation in a city or borough under the jurisdiction of the guild. A common fund for charitable and other purposes was created. A long struggle continued between the craft and merchant guilds, arising over the objection raised by the merchant guilds, to the granting of charters to their rivals. The struggle was ended in the fourteenth century when Edward III. granted royal charters to the crafts. After a time merchant guilds were practically supplanted, lost their popularity and influence, and the craftsmen came into favor. All members of guilds were made freemen, a serf who had left his manor and enrolled himself as a member of a guild in some town or borough, gained freedom after remaining a year and a day. The growth of these organizations so extended that all craftsmen and traders

were brought within their jurisdiction and governed by their ordinances and regulations, excepting, however, those alien artisans who by special favor of the monarch were exempt from their control. When they became fully organized, three classes of members existed, to wit, masters, journeymen and apprentices. The master was a property owner and householder, was skilled in the business, employed journeymen and instructed apprentices; taking them into his service to teach them the mysteries of a trade. The journeyman was one who had served his time as an apprentice and remained in the employ of his former or some other master. The apprentice was bound to a seven years' service by an indenture entered into with his master. The guilds were fully organized throughout Europe, long before they had gained a foothold in England. Introduced into England by the artisan immigrants from the Continent, they were of slow growth, and it was not until the fourteenth century that they became numerous. From the time of Edward III. until the middle of the sixteenth century, a period of two hundred years, the industrial life of England had its beginning, expanded and became of great importance. In the early life of these organizations the welfare of the public was constantly kept in view. Goods were inspected by experienced overseers to secure excellence of quality and designs. Great care was taken in the instruction of apprentices. The utmost fairness was accorded to all members in the fixing of wages, hours of work and distribution of profits.

While craft guilds existed in isolated localities, among small bodies of artisans who had come from the Continent soon after the Norman Conquest, they were not given royal charters and did not become clothed with legal jurisdiction and authority, and their importance was not appreciated, until that revival of industrial activity which followed and accompanied the policy of protection to native industries during the two centuries between Edward II. and Elizabeth. The adoption of protection in the fourteenth century occurred at a time when the country was being overrun by foreigners and foreign wares. The excessive competition waged by aliens, together with a lack of capital and skill, retarded the growth of industries. From the lack of custom houses and means of enforcing revenue laws, smuggling was extensively carried on. Foreign wares were brought into the country in foreign ships, and the benefits of the new policy were lessened, and the guilds were harassed and injured by this illicit trade which necessarily made the growth of industries much slower than it otherwise would have been. As nurseries of the arts and mysteries of the trades, as schools of technical learning, they rendered a service incalculably great. Existing at a time when industrial changes were going on, they supplied employment and formed the basis of the industrial skill and enterprise of the English people.

*Need of
protection
for the
guilds.*

This was a period of great economic changes, displacement of labor and great oppression of the people through the exactions of monarchs,

*Industrial
establish-
ments inde-
pendent of
the guilds.*

especially during the time of Henry VIII., when a system of confiscation of property was carried on by the suppression of the monasteries and the seizure of their estates. The charters held by the guilds were granted at a time when but few trades existed and little manufacturing was done. Their jurisdiction was limited to the specific locality named in the charter of each particular organization. As manufacturing increased, new industries were established in suburbs and manorial villages, by journeymen who had failed to find constant employment with the guilds or who desired to become master workmen, and to engage in business on their own account. Employment was given to the journeymen, and apprentices were taken to service. The shops thus set up were continued without charters, but under rules and customs similar to those practiced by the guilds. They did not, however, have legal jurisdiction to impose fines or to enforce regulations, but were controlled more by common consent. During the latter part of the fifteenth and the early part of the sixteenth century, there were two systems of production operating side by side, but in different localities in the same country; the one being the craft guilds which had now reached their full vigor and began to show evidence of decay; the other, those establishments started by persons outside of the jurisdiction of the guilds. These establishments were the beginning of individual or capitalistic production, which superseded the guilds, in the latter part of the sixteenth century and continued for two hundred years, until the introduction of the factory system.

*Abuse of
the guild
system.*

Guilds were first organized and conducted on the basis of fellowship and community of interest; the good of the public; the common benefit and welfare of apprentices and journeymen and masters were equitably considered and justly measured without complaint. Duties were discharged toward each other and toward the public with a spirit of piety, and in some instances with a religious enthusiasm. A portion of the funds was contributed to the church for masses and religious observances. In the course of time a surplus of journeymen arose. The free tenants who had drifted into the boroughs and towns in search of employment for themselves and their children, were compelled to seek admission to the guild. The system of clearings, by which a large portion of the agricultural population was driven into the towns, increased the competition for apprenticeships. The guilds came to hold a monopoly of the industries of the country and the employment of the people in trades. Their rules and regulations must be complied with or it was impossible for a journeyman to set himself up in business or find employment. Under these circumstances only could a person find service as an apprentice. By petty ordinances and arbitrary exactions, the wardens and overseers in their efforts to perpetuate their absolute control, created dissatisfaction which caused complaints, not only among trades people outside of the guilds, but among those journeymen who had suffered from their arbitrary

regulations, as well as those who had failed to become apprentices. In 1437 the disaffection became so widespread that it attracted the attention of parliament. Complaints were made "that they had set the local authorities at defiance and thus injured the people." The preamble of an act¹ of Henry VI's reign recites that:

*Complaint
against the
guilds.
Parliamentary
action.*

Masters, wardens and people of guilds, fraternities and other companies corporate, dwelling in divers parts of the realm, oftentimes by color of rule and governance and other terms in general words to them granted and confirmed by charters and letters patent, of diverse kings, made among themselves many unlawful and unreasonable ordinances, as well in prices of wares and other things for their own singular profit and to the common hurt and damage of the people.

This act of parliament prohibits the making of any ordinance or rules unless submitted to justices of the peace for record. A later statute² passed in 1503, prohibits the masters, wardens and fellowships of crafts and all rulers of guilds from making any rules, regulations or ordinances for their government, unless they are approved by the chancellor or justice of the peace. Many of the objectionable ordinances and regulations referred to in the petitions of parliament or set forth in preambles of statutes, disclose the grounds of their objections. One of the arbitrary exactions imposed upon the apprentices was in fixing excessive charges for the privilege of entering upon an apprenticeship, and heavy fines and penalties upon the termination of such service. In 1531 it was enacted that "in no case should they charge more than half a crown as an apprentice fee, and three and four pence at the end of his service as a fine."³ These organizations were not content with monopolizing and controlling apprentices and journeymen while in their employ, but took measures to prevent their becoming competitors at the close of their service. It appears from a recital in the statute⁴ that:

Diverse masters, wardens and fellowships of crafts have by subtle means practiced and compassed to defraud and delude the said good and wholesome statutes, causing diverse apprentices or young men immediately after their years be expired or that they be made free from occupation or fellowship, to be sworn upon the Holy Evangelist at their first entry, that they nor any of them after their years or terms expired shall set up nor open any shop, house nor cellar; nor occupy, as freemen, without the assent and license of the master, wardens or fellowships of their occupations upon pain of forfeiting their freedom, or other like penalty.

The effect of such regulations and oaths is evident. It tended to drive journeymen who had respect for their oaths outside of the local jurisdiction of the guilds to set up shops of their own; an oath exacted under such circumstances could justly be construed as morally binding only within the territorial jurisdiction of the guild. In the brief space which must be allotted to this subject, only an outline of these organizations can be given. They received their death-blow by

*Death-blow
to the guild
system.*

¹ 15th, H. VI., c. 6.

² 19, H. VII., c. 7.

³ 22d, H. VIII., c. 4.

⁴ 28th, H. VIII., c. 5.

a statute passed in 1547 under Henry VIII., against associations and dealers in victuals. It was also directed against artisans and laborers who had made "confederacies and promises" and "sworn mutual oaths." Artisans might work where they pleased whether free of the town or not, and the authority of the local craft guilds was abolished."¹ A few survived the effect of this statute in cities like London, Ludlow, Preston and Coventry, which could not be interfered with, excepting by local authorities, these cities holding special constitutions to which general acts of parliament did not apply. However useful the guilds may have been in former times, they had certainly fallen into disrepute and lacked sufficient influence to continue their existence. They had undoubtedly performed a great service in the industrial life of the country in instructing and educating apprentices, in securing uniform weights and measures, and preventing frauds upon consumers in the sale of inferior wares.

*Capitalistic
production.*

Upon the downfall of the guilds, manufacturing by private individuals and companies by direct employment of labor, under the relation of employer and employed, came into practice. This change was not brought about in a day, but was effected by a gradual process in the decay of old industrial centres over which the guilds held exclusive jurisdiction and in the establishment of industries in new localities under new conditions. Journeymen, under the patronage of landed proprietors, opened shops in village manors and employed journeymen and took apprentices independently of those guilds which held charters.

¹ Cunningham, *Growth of English Industries*, Vol. I., p. 465.

CHAPTER V.

DISORGANIZATION OF LABOR.

The reign of Edward III. is noted for the "Black Death or a deadly plague which started in Asia, traveled westward over Europe and reached England in 1348. It spread over the country and carried off about one-third of the population.¹ It was more than a century before the people recovered fully from the effects of this terrible visitation. Another cause which during this period operated to disorganize labor was the system of enclosures which was resorted to by the land owners. Vast tracts which hitherto had been cultivated were fenced in for sheep pastures and cattle grazing.

Some industrial changes.

During the reign of Henry VIII., the property of the Catholic Church was confiscated, which, in connection with the enclosures, threw large numbers of people out of employment, and created great distress among the laboring classes. The monasteries held large tracts of land, gave support and employment to multitudes of people, and at the same time were the only bodies who looked after the poor, and assumed the burden of distributing public charities. The confiscation of the property of the guilds was another act of Henry VIII. which dealt a severe blow to the industrial masses. The lands confiscated were handed over to a set of court favorites and retainers.

By the enclosures the people were driven from the manors, their cottages and habitations demolished and vast numbers of rural laborers were set free to seek other employment. They could not remain on the land or go back to it without the consent of the proprietors. The displacement of labor, caused by this and by the confiscation of monasteries and the property of guilds, flooded England with a surplus of laborers seeking new employments. Neither the demands of the country in agriculture nor in the industries were sufficient to absorb the thousands who were driven into idleness. As they sought refuge in the towns and boroughs, the guilds, as far as possible, enrolled them as apprentices. This condition filled the land with paupers, who overran the country to such an extent that the most stringent laws for the suppression of begging were unavailing. Homeless and landless, ignorant and unskilled, seeking an opportunity to apply their God-given forces in honest toil to obtain subsistence, they wandered about the country begging for bread and pleading for work. These acts of confiscation and this system of enclosure under

¹Industrial History of England, p. 70.

which the habitations of so many people were demolished are without a parallel in brutality in the history of England. The manorial system following the Norman Conquest, however unjust and arbitrary it may have been, yet had the redeeming feature that although the serf was bound to the land and held in bondage, he was sure of subsistence upon the manor by his industry.

During this transitional period, the hope of the people lay in the system of a protective tariff. They were wards of the realm. The king and English nobility owed them a duty. It was a moral, as well as a political, obligation. Apart from all considerations of national greatness and individual gain, it called for the interference of the sovereign power of the realm in behalf of humanity. Although it took a long time to work out the problem, relief at last came to the people, through the building up of industries, the improvement of agriculture and the development of the domestic resources of the country in which they found means of subsistence.

*Condition
of the
people—
Necessity
of remedial
legislation.*

The following extract throws much light upon the terrible condition to which the people of England were reduced during the reign of that monarch who has been so glorified by many English writers, and yet whose reign is blotted with some of the basest acts of cruelty known to history:

Concerning the poor people, notwithstanding all the laws made against their begging and for the provision of them within their several parishes and towns where they dwell; for there be for one beggar in the first year of King Henry VIII. at this day, in the thirty-third year of her majesty, an hundred. As may partly be gathered by the multitude of the beggars that came to the funeral of George, late Earl of Shrewsbury, celebrated at Sheffield in Yorkshire, the 13th day of January in the thirty-third year. For there were by the report of such as served the dole unto them, the number of eight thousand, and they thought that there were almost as many more that could not be served through their unruliness. Yea, the press was so great that diverse were slain and many hurt; and further it is reported of credible persons, that well estimated the number of all the said beggars, that they thought there was about twenty thousand. Now judge ye what a number of poor people is to be thought to be within the whole realm, seeing so many appeareth to be in one small part of a county or shire, for it is thought by great conjecture, that all the said poor people were abiding and dwelling within thirty miles of the town of Sheffield aforesaid, and yet were there many more that came not to the dole.¹

An examination of the condition under which protection was adopted in England cannot be made by a candid and careful observer, without repudiating the constantly repeated statement that the mercantile system was established through base and selfish motives, for the purpose of acquiring political power and of promoting personal ends. However arbitrary and tyrannical the ruling classes were at this time, it is not possible to conceive in them a character devoid of all sense of righteousness and humanity; but such they must have possessed, to witness unmoved by

¹ The Fall of Religious Houses, Colo. Mss. xlii.

pity, the masses of their own people in idleness and degradation, under circumstances which would perpetuate such conditions without that protection which it was within their power to extend.

The question of finding employment for labor was never so pressed home upon any people, as it was upon the English people at this time. The contrast between their condition during the period above treated and that which prevailed when the full effects of the protective system were felt will appear in a subsequent chapter. For the present it suffices to say that there is no example in the history of any country, of a greater change and improvement following the adoption of protection than is found in the history of this people. In the course of time every village and borough, town and city in the whole realm, was converted into a bee-hive of industry where men and women found employment, not only in making all articles for their own use, but in the manufacture of all sorts of wares, from the crudest implements to the most delicate and costly fabrics.

Protective legislation, having its beginning in the exclusion of foreigners from the retail trade of the country, was extended later to the development of a great variety of domestic industries. The first idea seems to have been, to keep their wool at home to build up their woollen industries and turn the labor of Englishmen to providing their own people with cloth. As we have seen, English wool had hitherto been exported to Flanders and returned in the form of cloth, with the labor and profits of the Flemish added. The interference of aliens with the retail trade of the merchants of London was very injurious. The foreign importer, by bringing the wares into the country, could demand whatever price he saw fit. The monopoly thus held excluded the citizens of London from a participation in trade. The policy of interference of the government in behalf of its own citizens was most wise and just. If governments are ordained for the protection of property, one of their first duties is to make it possible for their own citizens to acquire property.

Governmental interference.

When we contrast the result of this policy with the encouragement given to the Flemish, Germans and Italians to bring their wares into England, resulting in giving employment to the artisans of those countries, the investment of capital and building up of industrial centres on the Continent, instead of in England, we can readily see why Holland and Flanders became rich and powerful, while England remained poor and her people unskilled and degraded. The excessive rate of interest and the galling exactions of the Florentine bankers had undoubtedly taught Edward how impolitic it always is for a nation to rely upon foreigners in time of need. The English must, at this time, have been reduced to a very low financial condition, when her ruler was compelled to pawn his crown jewels to raise money. The very coin that he borrowed on the Continent might have been drawn from the English people and drained from the country by the free trade policy which prevailed.

Contrast between the systems of free trade and protection.

The very fact that it was necessary to bring skilled artisans from foreign lands to teach the English people the arts of industry shows how a people under a system of free trade will cling to rural pursuits without any desire or ambition to embark in new enterprises. Such foreign competition was then, as it has been in all countries when given full sway, a perpetual blight upon home industry. Edward's proud spirit undoubtedly felt keenly the inferior position in wealth and industrial life of his own people. When English monarchs grasped the great economic truth that they should favor their own people against strangers in every department of trade in which they were at a disadvantage, the problem of English supremacy was solved. Although this great principle was not fully appreciated and embodied in a comprehensive industrial code and national policy until the time of Queen Elizabeth, yet successive monarchs and parliaments sufficiently recognized its application to the conditions of the English people, to make a steady progress under its beneficent influence. The intervention of wars, both foreign and internal, between the time of Edward IV. and Queen Elizabeth, left little room for industrial activity. It was during this period that the wars between the houses of York and Lancaster plunged the nobility into a fierce struggle for the crown. The establishment of the Church of England by Henry VIII., his suppression of the monasteries and seizure of the property of the Roman Catholics, disarranged the business affairs of the realm with injurious results. The struggle between Catholics and Protestants, which continued to the time of Queen Elizabeth, prevented a rapid industrial development under this policy. At times and for long periods it was almost wholly lost sight of. The system of collecting revenues and enforcing prohibitions on imports was so imperfect that smuggling was constantly and persistently indulged in. Besides this it was not until the early part of the sixteenth century that England had become strong enough to defy foreigners and take from the Hanseatic League its privileges.

PART III.

MODERN ENGLAND UNDER PROTECTION.

CHAPTER I.

THE PROTECTIVE POLICY OF GREAT BRITAIN FROM 1558 TO 1800 AND WHAT IT TEACHES.

“A wise man will make more opportunities than he finds.”—Bacon.

The system of protection gradually ripened into a settled national policy, which continued from the time of Queen Elizabeth uninterrupted and persistently strengthened at every point until 1846, when it was in the main abandoned. England was not, however, without political parties and bitter controversies over policies and forms of government took place. From the reign of Elizabeth until the latter part of the seventeenth century, the main question was whether the sovereign power of the realm was vested in the king by divine right or rested in that great body of English freemen represented by the House of Commons. This question was ultimately settled by a resort to arms. It brought Charles I. to the block, established the commonwealth, and ultimately placed it in the power of the people of England by an act of succession to choose their own ruler, make their laws and establish for themselves a form of government. But through all this controversy, there was one question upon which the English people were agreed. It mattered not what party was in power, whether Puritans or Royalists, Whigs or Tories, the industrial development of England by a system of protective tariffs, navigation laws and governmental regulations was recognized as the best means of securing commercial and industrial greatness. A spirit of loyalty to England and to Englishmen pervaded all classes of people and found expression in deeds of bravery and heroism on land and sea, in defending and extending their dominions, building up their industries, and making the power and name of England supreme in the world.

*Protection
to native
industries
the settled
policy of
Great
Britain.*

The reign of Queen Elizabeth, which began in 1558 and closed in 1603, forms one of the most important commercial epochs in the history of the country. The most renowned in literature, it should be no less distinguished for the influences exerted on trade and commerce. This was the age of Shakespeare and Lord Bacon, two of the greatest men of all time. As a statesman, jurist and philosopher, Lord Bacon is without

*Reign of
Elizabeth.*

a peer. Undoubtedly his genius gave form and order to the national policy of protection, which hitherto had been indefinite and unstable. At this time the legislation of preceding reigns was gathered together, re-enacted and formed into a comprehensive, industrial code, having for its specific purpose the development of all branches of productive industry and commerce. The purpose of such a policy is disclosed in the several branches of industrial life, which were sought to be specifically regulated and fostered by the following legislation:

1. The Statute of Apprentices or Laborers.
2. Poor Laws.
3. Protection to Agriculture and Manufacturing.
4. Encouragement of Fisheries.
5. Encouragement of Shipping and the Extension of Foreign Trade.

While all these important branches received legislative sanction and recognition at this time, the policy thereby definitely begun was not only adhered to by successive English administrations, but was constantly strengthened and improved upon, until every country on the face of the globe felt its influence, and England became the richest commercial nation in Christendom. It is a fact worthy of consideration that the supremacy of England was reached at the close of the eighteenth century, before the Napoleonic wars. The navigation laws passed in the time of Cromwell were the crowning acts of this series of industrial legislation, having for their definite purpose the establishment of industries and the expansion of trade and commerce.

"Statute of Apprentices."

The "Statute of Apprentices" or "Laborers," as it is sometimes called, passed by parliament in the fifth year of the reign¹ of Elizabeth, continued in force from 1563 to 1825. While it cannot be commended in all respects, it can be approved in some. It throws much light upon the statesmanship and sound economic ideas which prevailed. The necessity of finding employment for labor, at good wages, and the regard which every well-regulated state should have for the welfare of its artisans, were certainly comprehended by the statesmen of this period. Although the means by which it was sought to accomplish such a result were ineffectual, and in some respects unwise, yet the misery and degradation inflicted upon the artisans of a country by a depression of wages are so necessary to be avoided, that experiments of this character should be treated with great consideration by those who are unable to understand fully the conditions under which production was carried on and subsistence procured at this time.

Its purpose.

One of the chief purposes of this enactment was to secure an increase in the wages of laborers which could not be obtained under the old statutes. This is expressly stated in the preamble, as follows:

¹ 5th, Elizabeth, c. 4.

Chiefly for that the wages and allowances limited and rated in many of the said statutes, are in diverse places too small and not answerable to this time respecting the advancement of prices of all things belonging to the said servants and laborers, the said laws cannot conveniently without the great grief and burden of the poor laborer and hired man be put in good and due execution.

This effort to improve the condition of labor by governmental aid has been most severely criticised by recent English writers, and especially by those who advocate free trade. They condemn not only the specific details of this legislation, but the whole policy under which conditions favorable to artisans were brought about. When we come later to contrast the effect of free competition on English industries, during the past twenty-seven years, with the marvelous development and improvement which followed the legislation under Elizabeth, the discredit will be cast upon those who regard low wages as an economic advantage to a country. The legislation in question attempted to regulate the whole system of apprenticeship, wages, terms of employment and length of day's labor in agriculture and manufacturing. Instead of leaving the question of wages to be settled by free competition or free contract, entered into between the employed and employer, it provided that justices of the peace should meet on or before the tenth of June of each year to fix the rate of wages to be paid during the ensuing season. The statute says, the justices of the peace, after fixing the time of their meeting, "calling to them such discreet and grave persons, as they shall think meet, and conferring together respecting the plenty or scarcity of the times, and other circumstances necessary to be considered," shall limit and appoint the wages for every kind of manual labor skilled or unskilled, by the year, week or day, and with or without allowance of food. It was made a penal offence to pay less wages than those fixed by the magistrates. This portion of the statute, however, which vested justices of the peace with power to fix wages, became a dead letter, although it remained unrepealed until 1825. But few instances are found in which it was ever acted upon. The reason is undoubtedly the general improvement of the masses, and the increase of wages which followed. As opportunities for work increased and new fields opened for the investment of capital in manufacturing, shipping and agriculture, the demand for labor tended to prevent the occurrence of the conditions which were sought to be alleviated through the statute.

*Attempt to
fix rate of
wages.*

The statute also provided a seven years' apprenticeship for artisans, and authorized an agriculturalist to take a boy and instruct him in farm labor, until he arrived at the age of twenty-one years. Every master who had three apprentices was required to employ at least one journeyman for each extra apprentice. The statute was designed to secure stability and permanence of employment. Terms of service were fixed and penalties imposed upon laborers for quitting within the limitations, as well as upon

*Attempt to
fix term
of employ-
ment, etc.*

*Necessity
of legisla-
tive inter-
vention.*

*Defence
of this
policy.*

employers for dismissing a servant before his time had expired. At the termination of employment, the master was required to give the employed a certificate of approval, and no laborer could apply for work in another parish excepting upon presentation of such writing from his former employer. It is not necessary here to enter upon a description of the minute details of this statute, or show its application to the various classes of workmen, such as clerks in stores and mechanics. It is sufficient to present only its general features relating to the means by which the mass of ignorant, crude laborers of England were transformed into skilled and efficient artisans. The conditions were such that a resort to extreme measures was necessary. The number of beggars, paupers and idlers was so great that governmental interference in directing their energies, moulding and developing their faculties and fostering a diversity of industries in which they might find employment, was justified upon the ground of public policy as well as upon sound economic principles. If they had continued on free trade lines and been permitted to take their own course unaided and undirected, England would have remained the most barbarous, weak and defenceless country in Europe. If they had continued to exchange agricultural products for the wares made by the labor of the Continent, the people would have been powerless to improve their condition and serfdom, poverty and degradation would have been perpetual. Such free trade policy would have been a continual check on ambition, a hindrance to progress, and the free trade maxim that the "fear of want is the spur to exertion" would then have had full play. The energies and faculties which make a people independent and opulent would never have been aroused. But the English people at this time were attempting to develop their best faculties and to secure good workmanship, and excellence in quality and design of wares. Her artisans must be educated and disciplined. The system of apprenticeship, enforced by law, was undoubtedly beneficial in securing that body of skilled mechanics and artisans which in later years made England so famous for the variety and beauty of her merchandise. Besides, this policy was in practice during a period when manufacturing was carried on largely by hand in small establishments, and before the introduction of machinery and the vast factory system which now prevails. This enactment at the time was intended to apply to all industries and every part of the realm. As years rolled on, as conditions changed, new industries were introduced and corporations formed, which were held to be not within its operations. During the eighteenth and the early part of the nineteenth century, before the final repeal of the statute of laborers, there were in existence in England, being carried on side by side, two systems of production: the one regulated by the Act of 1563, the other consisting partly of the system of apprenticeship, and partly of arrangements made between employer and employed, under free contract. We shall later see the application of the

doctrine of free contract to the conditions existing in England in the early part of the nineteenth century, when the agitation of free trade was begun. No sooner had the statutes, which secured to the laborer certain protection against their employers, been repealed, and the artisans of England thrown back upon their own resources and left to shift wholly for themselves, than labor organizations came into existence, and commenced an agitation for a regulation of hours of labor, a restriction on the employment of women and children, and enforced sanitary regulations of factories through inspectors appointed by the government. We shall be able to trace some of the elements of a system of labor protection from the craft guilds through the legislation of Elizabeth, finally culminating in the labor laws now on the statute book in England, placed there, however, under the protests of the advocates of the doctrine of free trade.

The lack of business experience and the low standard of morals and integrity which prevailed at this time, encouraged all manner of frauds, cheating in weight, quality and size of goods put up for sale. It is not surprising that dishonesty should prevail among business men, when kings had set the example by engaging in the most dastardly practice of debasing the coins of the realm and repudiating national debts. To raise the standard of business integrity, to give to English goods a name and to prevent fraud and secure good workmanship, fineness and excellence of quality, the whole manufacturing system was placed under the supervision of government inspectors. England at this time, it should be noted, was attempting to establish an industrial system in competition with the Dutch and Flemish, whose goods not only monopolized all foreign markets, but had acquired a reputation which procured for them a ready sale everywhere. The very name of Flemish goods gave their producers an advantage over all others. It was to meet this opposition and to establish a similar reputation, that the English Government adopted most stringent means to secure honest weights and measures and good faith in everything offered for sale. The abuse of this system by subsequent monarchs, in farming it out under licenses granted to persons and corporations who derived large profits therefrom, affords no valid objection to the policy itself, which undoubtedly contributed largely to a proper direction and control of the English producers in securing that foreign trade from which they derived in later years such immense profits.

*Inspection
of goods—
Need of
such a
system.*

Prior to the reign of Elizabeth, the poor of the realm were supported wholly by private charities. From the earliest times, after the conversion of England to the Christian religion, the poor had been regarded as the wards of the Church. The monasteries were for centuries the places from which they were cared for and fed. The destruction of these religious institutions by Henry VIII., and the confiscation of their property for a time, left the unfortunate of the realm in the most helpless condition. It was not, however, until the reign of Queen Elizabeth that the government

Poor Laws.

took upon itself the duty of regulating and enforcing a relief of the destitute of the country. By an act of parliament,¹ the care of the poor was imposed as a burden upon the land of the several parishes of the realm. The bishops of the Church were given jurisdiction to enforce its regulations. Laws were immediately enacted imposing a more complete enforcement of its provisions, by the levying of assessments and by the sale of goods to enforce the collection of rates from those who refused to pay. Many provisions of these statutes and amendments intended to provide for the employment of the idle, to punish those who were able but refused to work, and to suppress vagrancy, proved ineffectual.

At the time of Henry VII. and Henry VIII., says Mr. Cunningham, "The able-bodied tramp who had no employment was the chief difficulty. In the seventeenth century we hear less of this evil excepting so far as it was directly due to war."² By an act of settlement the pauper class was distributed proportionately among the several parishes of the realm. This practically prohibited or prevented those seeking employment, or who might become paupers, from shifting from one part of the kingdom to another. A new arrival in the parish would at any time within forty days be returned by the poor authorities to the parish from which he came. The purpose of the Poor Law enacted at this time was to afford relief for the lame, sick and those unable to work, and to encourage habits of industry in the able-bodied. A more extended view of the Poor Laws will be found in Chapter VI. of Part IV.

The following quotation from the "Growth of English Industries," is so concise and authentic, that but little is left to be said on this branch of the subject:

*Promotion
of native
industries.*

It is unnecessary to describe in any detail the industrial policy which Elizabeth pursued; in its main outlines it was protectionist and utilized the various expedients which had been already tried and had been deemed successful.

a. The importation of finished goods from abroad was prohibited early in her reign; the list of articles to be excluded is not as lengthy as that in the statutes of Edward IV. or Richard III., and consists for the most part of cutlery and small hardware goods; but the principle of action is precisely similar to that of preceding monarchs, and the preamble urges the old pleas, in the encouragement given to the artisans abroad and the consequent enrichment of other realms while our own workmen were unemployed.

b. The exportation of unmanufactured products, which might be worked up at home, was also restricted. The English wool was, of course, the mainstay of the manufacturers of the realm, and it was desirable to retain the English breed of sheep; in consequence a very severe measure was passed in 1566, and those who exported sheep or lambs alive were liable to lose a hand for the first offence, while a second was adjudged a felony. At the same time, it was enacted that no Kentish or Suffolk cloth was to be exported unless it was wrought and dressed, and that for every nine unwrought cloths sent from other parts of England, one dressed cloth should be sent abroad.

¹ 43d, Eliz. ² Growth of Eng. Ind., Vol. II., pp. 200-201.

c. Another mode of encouraging native industry was by trying to promote the consumption of English manufactures. During the whole of the Tudor period there was frequent interference in regard to the cappers. Henry VIII. had tried to regulate the trade; while Elizabeth insisted that her subjects should wear English made caps. The trade had apparently been very extensive; London alone had maintained 8000 workers, and it had also been practiced in Exeter, Bristol, Monmouth, Hereford, Bridgenorth, Bewdley, Gloucester, Worcester, Chester, Nantwich, Alcester, Stafford, Lichfield, Coventry, York, Richmond, Beverly, Derby, Leicester, Northampton, Shrewsbury, Wellington, Southampton, Canterbury and elsewhere; the division of employment had been carried very far in this science of capping for carders, spinners, knitters, parters of wool, forcers, thickers, drepers, walkers, dyers, battlers, shearers, prepers, edgers, liners and bandmakers all are mentioned; but it was alleged that people had left off wearing caps, that many who had been busily occupied were thrown into beggary, and that there were fewer personable men to serve the Queen in time of war. On every Sunday and holy day, every person of six years and upwards, with some few exceptions, was to wear on his head one cap of wool fully wrought in England, and if he neglected to do so was to pay a fine of three and four pence for each offence.¹

In the fifth year of the reign of Elizabeth, a statute was passed, continuing in force the acts of Henry VII. and Henry VIII., which had been enacted to prevent the system of enclosure from being carried to any further extent; but in 1592 this policy was abandoned and the land-owners were again permitted to take their own course. The result was that large tracts were fenced in and the displacement of the agricultural population was renewed. The injurious effect upon agriculture was so quickly felt, that in 1597 the old laws were revived, and it was provided that the land which had been turned into pasture since the repeal of the old law, should be restored to tillage.

*Protection
to agricul-
ture—Its
good effects.*

The laws in regard to the export of wheat were somewhat changed. Under Elizabeth, export of wheat was permitted when it was worth ten shillings a quarter, and prohibited when the price reached twenty shillings a quarter. This act was passed in 1592.² Prior to that time, since the reign of Philip and Mary, the export of wheat was allowed when the price was six shillings and eight pence a quarter. The improved condition of agriculture is shown by a writing by Dymock in 1650, who says, that "In Queen Elizabeth's day good husbandry began to take place." It should be noted that the statute passed under the reign³ provided that a cow should be kept, and a calf raised for every sixty sheep. In the forty-third year of Elizabeth, laws were passed to effect a drainage of fens and low lands, and to reclaim for agriculture a large amount of marshy land which had been untillable.

An incidental proof of the prosperity of agriculture is to be found in the gradual increase of rents, on which Professor Thorold Rogers lays considerable stress. This rise was not like the enhancement of the sixteenth century, which seems to have been due to the increased value of unimproved land for grazing

¹ Growth of Eng. Ind, Vol. II., pp. 33-4.

² 35th, Eliz., c. 7., sec. 8.

³ 2d and 3d, Philip and

Mary. c. 3.

purposes; but it followed in consequence of actual improvements, especially, as Best notes, of enclosing pastures.¹

The lands in the pastures weere (att my father's first comminge) letten to our owne tenants and others for 2s. a lande; afterwards for 2s. 6d. a lande, and lastly for 3s. a lande; but nowe being enclosed they will let for thrice as much.²

Encouragement of English shipping.

The legislation relating to the fisheries performed the double purpose of giving encouragement to industry and causing an increase of shipping, intending thereby to provide for the defence of the realm. The fisheries were made a nursery for British seamen. Edward VI.³ had withdrawn the aid formerly given to shipping, but these laws were revived and enforced with great vigor by Elizabeth. In 1563 it was forbidden to bring wine from Gascony in foreign ships.⁴ Fish caught by Englishmen with English vessels were exempt from custom duties and all tolls and tax of landing the fish. The act⁵ which made it obligatory upon all subjects to eat fish on Friday and Saturday, was amended in 1563 by adding Wednesday as another fish day. Although the act on its face was ostensibly passed for the purpose of encouraging piety and religious observance, it was really a piece of commercial legislation.

By an act of Elizabeth's reign,⁶ fishermen were exempt from service as soldiers. Section 10 of the same act prohibited foreigners from bringing cod and herring into the country, and admitted free of duty those caught by Englishmen.

Immigration of artisans encouraged—Their introduction of new manufactures.

During the latter part of the sixteenth century, England became an asylum for those Flemish and Dutch artisans who fled from the religious persecutions and warfare of the Continent. This was a most important episode in the industrial history of England. Partly from religious sympathy, partly from the importance which the English people were then attaching to the development of their industries, these refugees were made welcome. It was fully realized that, at this time, they were greatly needed, not only to establish their industries in the kingdom, but also to instruct Englishmen in the mysteries of the various arts of manufacturing, which had been carried on in the Netherlands. The immigrants were allotted to different towns by the government, under the direction of the privy council, these towns having, in most cases, petitioned the privy council, that they might settle in them.

In 1561 Sandwich received twenty-five clothmakers and their families. The manufacture of cloth known as new drapery was begun in Norwich in 1665, by thirty of these refugees. Other settlements were made at Stanford, Halstead, Lynn and Dover, and also at Colchester and London. The weaving of linen was begun, and the making of needles, parchment, sack cloth and many other articles was introduced into England by these

¹ Growth of Eng. Ind. and Com., p. 186.

² Rural Economy in Yorkshire in 1641, p. 129.

³ 5th and 6th, Edw. VI., c. 18.

⁴ 5th Eliz., c. 5., sec. 11.

⁵ 2d and 3d, Edw. VI., c. 19.

⁶ 5th, Eliz., c. 5., sec. 11.

people. Again, in 1685, Louis XIV. revoked the Edict of Nantes and opened a war of persecution against the Protestants. It is estimated that five hundred thousand Protestants fled and sought refuge in Germany and other Protestant countries. This was one of the severest blows ever inflicted upon the industries of France, as the Huguenots were largely artisans and manufacturers, who were placing France among the manufacturing nations of the world, and laying a foundation for that industrial career which has always contributed so greatly to the wealth and prosperity of a country. It is estimated that England received about fifty thousand of these people. Charles I. and James II. issued edicts which permitted them to become naturalized citizens of England. Those coming from Normandy and Brittany settled largely in the suburbs of London, others in Coventry, Sandwich, Southampton, Winchelsea, Dover and Wadsworth. They engaged in making silk, linen, paper, clocks, glass, locks, surgical instruments, and many other articles requiring a high order of skill and artistic taste.

*The
Huguenots.*

By a system of protection the foundation had been laid for a diversity of industries, through which the English people could not only supply their own wants, but produce a surplus by the exchange of which they could supply themselves with the necessities and luxuries of all countries. England was so situated that great wealth could not be reached and a high development of her people attained, without large exchanges with other countries. While she was well suited to the growth of wheat, cereals and vegetables, she must always buy tea, coffee, spices, tropical fruits, sugar, rice and many other food products. Dye stuffs and many raw materials must also be purchased in other countries, in order to expand extensively certain branches of manufacturing. Although at this time, it could not have been foreseen that cotton, wool, vegetable fibres, rubber and many other raw materials would be brought from distant regions into England, there to be worked up and reshipped in the form of finished products, enough was known of foreign commerce to give the English people a conception of the vast and profitable foreign trade which thereby might be secured. As a purely agricultural country little shipping was needed, but in order fully to round out the nation's life and give full play to all energies and faculties of her people in those lines which were then in sight, a combination of home and foreign trade was made necessary. The English people were most fortunately situated. Surrounded by splendid harbors, secure from foreign invasions, with a powerful navy, their domestic industries could enjoy uninterrupted peace at home. The New World had been discovered and that system of colonization by which a portion of the population of the Old World was transferred to the New was just beginning. The people who were invading the wilds of the new hemisphere could not easily take with them the means of establishing industries. They must for a long time at least, look to the Old World for

*Need of
foreign
trade.*

*Slow development
of English
foreign
trade.*

their clothing, tools, implements and many other articles of necessity. The Dutch and Flemish were the only people capable of meeting these new demands of trade, which were constantly arising. English statesmen, especially Lord Bacon and Sir Walter Raleigh, foresaw the advantages which would accrue to England by stepping in and acquiring a share of this commerce. Up to this time no efforts had been made on the part of England to extend her foreign trade. When she conceived the plan of employing her own labor, in making implements and clothing for other countries, she at once entered upon that policy which has made her great. We have seen how powerless her people were to compete successfully with the Dutch and Flemish in the production of manufactured goods under free trade, that it was only by imposing restrictions and duties on the importation of foreign wares, that the attention of her own people could be turned in that direction. Instead of exporting wool she soon became the exporter of woollen cloth. Instead of sending coin to India, with which to buy Eastern wares and products, she soon began to send articles produced in her own shops and by her own labor. England saw the Spanish, the Dutch, the Portuguese and the French extending their dominions in the New World and establishing themselves in India. Stimulated by the rising power and greatness of her neighbors and ambitious to lift her own people to a high state of commercial and political greatness, her attention was ultimately turned to foreign trade.

The persevering efforts of the Portuguese to discover a route to India by sailing around Africa were crowned with success in 1497.

And it may appear singular that notwithstanding the exaggerated accounts that had been prevalent in Europe from the remotest antiquity, with respect to the wealth of India, and the importance to which the commerce with it had raised the Phœnicians and Egyptians in antiquity, the Venetians in the Middle Ages, and which it was then seen to confer on the Portuguese, the latter should have been allowed to monopolize it for nearly a century after (1497) it had been turned into a channel accessible to every nation.¹

England's delay in extending her trade to foreign countries is fully accounted for by her backward commercial condition, by her lack of wealth and of ships. It was the threatened invasion of England by Philip II. of Spain, the actual peril that the kingdom was placed under by the Spanish armada, that aroused the English people to build ships for naval defence. The war between Spain and England culminated in the attack on England by the great Spanish armada in May, 1588. At this time the English fleets consisted of only about two hundred vessels, many of them coasters and fishing craft, which had hurriedly been converted into men-of-war for the occasion. The armada came with vessels so powerful and so numerous, that an engagement was avoided by the English. Their

¹ McCulloch's Commercial Dictionary, p. 536.

light sailing vessels were enabled to keep at a distance and out of the reach of the Spanish. As this, the most powerful naval armament the world had yet witnessed, sailed up the British channel, it was only by the intervention of a storm which drove the vessels in together against the coast, where many were wrecked, that the English were afforded an opportunity to attack them with fire ships, and in their crippled condition gain a victory which was one of the most important in the history of the world. It was after this disastrous naval engagement, when the power of the Portuguese and Spaniards had been broken at sea, that the English attempted to engage in foreign trade. The shipping of Spain and Portugal were subjected to constant attacks by the Dutch and English, their merchant vessels seized and taken as prizes, and their maritime power broken. This left the Dutch in absolute possession of the foreign commerce of the world, as described in the report of Sir Walter Raleigh subsequently given.

Beginnings of English foreign trade.

During the latter part of the sixteenth and the early part of the seventeenth century, the foreign policy of the English people was begun by a most vigorous and systematic effort to establish trading stations and make successive voyages to different parts of the world, through trading companies which received the patronage and approval of the government. The English had avoided a collision with the Spanish and Portuguese by confining their maritime ventures to attempts to find a northern passage to India. Failing in this they entered upon the Indian trade by the route around Africa. In 1582 Captain Stevenson was the first Englishman who sailed around the Cape of Good Hope and examined the coast of India. Sir Francis Drake circumnavigated the globe in 1587. In 1586 Mr. Thomas Cavendish fitted out an expedition, sailed to the Indian Ocean and made explorations of the country.

About this time, a large ship of the Portuguese was captured by Sir Francis Drake with a rich cargo of Oriental wares, and on board were found papers giving a full account of the East India trade. In 1593 a fleet commanded by Sir John Burroughs, which had been fitted out by Sir Walter Raleigh for this trade, captured a Portuguese vessel of 1600 tons burden, carrying 700 men and 36 brass cannon. When this ship was brought into Dartmouth, it is said to have been the largest ship yet seen in England. Her cargo consisted of gold, spices, calicoes, silks, pearls, drugs, ivory, porcelain, etc. Englishmen were aroused by the opportunities offered for acquiring large profits and great wealth. In 1599 there was formed in London an association to engage in this trade, entitled, "The Governor and Company of Merchants of London Trading in the East Indies." It received a charter in 1600, and directors were named in the charter:

The East India Company—Its charter.

But power was given to the company to elect a deputy governor, and in future to elect their governors and directors, and such other officers as they might

think fit to appoint. They were empowered to make by-laws; to inflict punishments, either corporal or pecuniary, provided such punishments were in accordance with the laws of England; to export all sorts of goods free of duty for four years, and to export foreign coin or bullion to the amount of 30,000 pounds a year, 6000 pounds of the same being previously coined at the mint; but they were obliged to import, within six months after the completion of every voyage, except the first, the same quantity of silver, gold and foreign coin that they had exported. The duration of the charter was limited to a period of fifteen years.¹

This company opened up the trade with India, which has constantly grown and brought England immeasurable wealth, and still continues to afford the best market for her wares. The authority thus vested in this corporation laid a foundation for the power which ultimately extended British supremacy over a vast territory inhabited by over 200,000,000 of people. The charter of this company was renewed by Cromwell in 1657, and confirmed by Charles II. in 1661. Shortly after the revolution of 1688, the authority of this company to monopolize the Eastern trade was conferred by parliament. It secured an absolute dominion and government of the country, including the rights of making war upon any people not of the Christian religion, "of establishing fortifications, garrisons and colonies, of exporting ammunition and stores to their settlements duty free; of seizing and sending to England such British subjects as should be found trading in India without their leave; and of exercising civil and criminal jurisdiction in their settlements, according to the laws of England."

It would be out of place here to attempt an historical sketch of the renewals of the charters of this company, the extension from time to time of its powers and ultimately the establishment of a government for India by a constitution in 1854. The important fact connected with the incorporation of this company is the light it throws upon the vigorous policy and means adopted by the English people, for extending their possessions and opening markets in foreign countries for their wares. Mr. McCulloch says, "Exclusive companies were then very generally looked upon as the best instrument for prosecuting most branches of commerce and industry."² The trade of India was not thrown open and made free to all English merchants until about 1814.

The first English voyage to the Mediterranean was made in 1550, by Captain Bodenham, but the Levantine trade was not engaged in until 1581, when some merchants of London obtained from Queen Elizabeth a charter, which gave them the exclusive privilege of this trade for seven years. This charter was renewed in 1593, and again by James I., who made it perpetual. This company continued to hold a monopoly of the trade with Turkey and the ports of the Eastern part of the Mediterranean Sea until 1803.

*The Levant
or Turkish
Company.*

¹ McCulloch's Commercial Dictionary, p. 537. ² *Id.*

In 1555 a company of merchants obtained from Queen Mary the exclusive right to trade with Russia in the East. This privilege was sanctioned by parliament in 1556. They held an exclusive monopoly of the trade with Russia, Armenia, Media, Persia and the Caspian Sea. It was not until the latter part of the eighteenth century that their privileges were taken away and the trade was thrown open to all English merchants. It was provided by act of parliament, that they should employ only English made ships, manned with a majority of English sailors. The exportation of English cloth by the company was prohibited unless it was dyed in England.

*The
Russian
Company.*

In 1578 a charter was granted to the Prussia Eastland Company for trade in the Baltic. This company controlled the trade of Norway, Sweden, etc. The privileges of the Hanseatic League were abolished, and this company was organized for the purpose of securing the trade which for centuries had been monopolized by that confederation of German towns.

*The Baltic
Company.*

To the Guinea Company was given the trade of the west coast of Africa. This is the company which subsequently carried on the slave trade. In North America, the "South Virginia Company" monopolized the trade of Maryland, Virginia and Carolina, and the Plymouth adventurers, the commerce of Pennsylvania, New Jersey, New York and New England.

*Other
trading
companies.*

Through these companies, English trading vessels were sent to every portion of the globe, where opportunities for traffic and business enterprise could be opened. The exclusive privileges and arbitrary power conferred upon these corporations, stimulated ship building and induced capitalists to embark in enterprises which they otherwise would not have undertaken. Competition with the Dutch was everywhere met. The trade which properly belonged to English merchants, it was found difficult to wrest from this rival which had been so long in the business, acquired such experience and gained so much wealth. The insignificant position occupied by England in foreign trade at the beginning of the seventeenth century, is brought out very clearly in a report made by Sir Walter Raleigh to King James I. in 1604, entitled, "Observations Concerning the Trade and Commerce of England with the Dutch and Other Foreign Nations."

That the Dutch and other petty States do engross the transportation of the merchandise of France, Spain, Portugal, Italy, Turkey and the East and West Indies; all which they carry to Denmark, Sweden, Poland and other northern parts, and bring back the bulky commodities of those northern regions into the said countries. Yet, is England better situated than Holland for a general storehouse. No sooner does a dearth happen of wine, fish, corn, etc., in England, than forthwith the Embdeners, Hamburgers and the Hollanders, out of their storehouses, lade fifty or one hundred ships or more, dispersing themselves round about this kingdom, and carrying away great store of corn and wealth—thus cutting down our merchants, and decaying our navigation, not with their natural commodities, but those of other countries.

*Report of
Sir Walter
Raleigh on
England's
foreign
trade.*

English
dependence
on foreign
food
products.

Amsterdam is never without seven hundred thousand quarters of corn, besides what they daily vend, though none of it be of the growth of their country; and a dearth of only one year, in England, France, Spain, Portugal, Italy, etc., is justly observed to enrich Holland for seven years afterward. In the last dearth, six years ago, in England, the Hamburgers, Embdeners and Hollanders supplied your kingdom from their storehouses; and in a year and a half carried away from the three ports of Southampton, Exeter and Bristol alone, near two hundred thousand pounds, and from other parts of this kingdom, more particularly including London, it cannot be so little as two millions of pounds more, to the great decay of your kingdom, and impoverishing of your people, discredit and dishonor to the merchants, and to the land.

They (the Dutch) have a continual trade into this kingdom, with five or six hundred ships yearly, with merchandise of other countries, storing them up here, until the prices rise to their minds, and *we trade not with fifty ships into their country in a year.*

Compara-
tive insig-
nificance
of English
fishing
industry.

The greatest fishing that was ever known in the world, is upon the coast of England, Scotland and Ireland; but the great fishery is there made by the Low Countries and other petty States wherewith they serve themselves and all Christendom.

1. Into four towns in the Baltic, viz. : Königsberg, Elbing, Stettin and Dantzic, there are carried and vended in a year between thirty and forty thousand lasts of herrings which being sold at but fifteen or sixteen pounds the last, is about 620,000
And we send none.
 2. To Denmark, Norway, Sweden and the ports of Riga, Revel, Narva and other parts of Livonia, etc., there are carried and vended about ten thousand lasts, worth 170,000
And we send none thither.
 3. The Hollanders send into Russia fifteen hundred lasts of herrings, sold at about thirty shillings per barrel 27,000
And we send about twenty or thirty lasts.
 4. To Stade, Hamburg, Bremen and Embden, are carried and vended, of fish and herrings, about six thousand lasts, sold at about fifteen or sixteen pounds per last 100,000
And we send none.
 5. To Cleves and Juliers, up the Rhine, to Cologne and Frankfort-on-Main, and so over all Germany are carried and vended of fish and herrings, near twenty-two thousand lasts sold at twenty pounds per last 440,000
 6. Up the river Meuse to Maestricht, Liege, etc., and to Venloo, Zutphen, Deventer, Campen, Zwoll, etc., about seven thousand lasts at twenty pounds 140,000
And we none.
 7. Guelderland, Artois, Hainault, Brabant, Flanders, Antwerp, and up the Scheld all over the archduke's countries, are vended between eight thousand and nine thousand lasts at eighteen pounds 162,000
And we send none.
 8. The Hollanders and others carried off all sorts of herrings to Rouen alone in one year (besides all other parts of France), five thousand lasts, value 100,000
And we not one hundred.
- Total sterling money 1,759,000

Over and above these, there is a great quantity of fish vended to the Straits. *Surely the stream is necessary to be turned to the good of this kingdom to whose sea-coasts alone God has sent these great blessings and immense riches for us to take; and that any nation should carry away out of this kingdom yearly, great masses of money for fish taken in our seas, and sold again by them to us, must needs be a great dishonor to our nation and hindrance to our realm.*

That although the abundance of corn grows in the East countries (Poland and Livonia), yet the great storehouse for grain, to serve Christendom, etc., in time of dearth, is in the Low Countries.

*Inferiority
of English
commerce.*

The mighty store of wines and salt is in France and Spain, but the great vintage and staple of salt are in the Low Countries; and they send nearly one thousand sail of ships yearly into the East countries, with salt and wine only, besides what they send to other places, *and we not one ship in that way.*

The wool, cloth, lead, tin and divers other commodities are in England, but by means of our wool and our cloth going out rough, undressed and undyed, there is an exceeding manufactory and drapery in the Low Countries, wherewith they serve themselves and other nations and greatly advance the employment of their people at home and traffic abroad, and in proportion suppress ours.

We send into the East countries yearly but one hundred ships, and our trade chiefly depends on three towns, viz: Elbing, Königsberg and Dantzic; but the Low Countries send thither about three thousand ships trading into every port and town, vending their commodities to exceeding profit and lading their ships with plenty of their commodities which they have 20 per cent cheaper than we, by reason of the difference of the coin, and their fish yields ready money. They (the Hollanders) send into France, Spain, Portugal and Italy about two thousand ships yearly with those East Country commodities, *and we none in that course.*

They trade into all cities and port towns of France, and we chiefly to five or six.

The Low Countries have as many ships and vessels as eleven kingdoms of Christendom have, let England be one. They build every year near one thousand ships, although all their native commodities do not require one hundred ships to carry them away at once. Yet, although we have all things of our own in abundance for the increase of traffic, timber to build ships, and commodities of our own to lade one thousand ships at once (besides the great fishing), and as fast as they made their voyages, might relade again, yet our ships and mariners decline, and traffic and merchants daily decay.

God hath blessed your majesty with copper, lead, iron, tin, alum, copperas, saffron, fells (*i. e.* skins), and many native commodities to the number of about one hundred; and other manufactures venible to the number of about one thousand; besides corn, whereof great quantities of beer are made, and mostly transported by strangers; as also wool and coals. Iron ordnance, a jewel of great value, far more than it is accounted, by reason that no other country but England could ever attain unto it, although they had attempted it with great charge.

That there were about eighty thousand undressed and undyed cloths annually exported from England, whereby four hundred thousand pounds per annum for fifty-five years past (being about twenty millions) has been lost to the nation; which sum, had the cloths been dressed and dyed at home, would have been gained, besides the further enlarging of traffic, by importing materials for dyeing and the increase of customs thereon. Moreover, there have been annually exported in that time, in bayes (baizes) Northern and Devonshire kerseys, all white, fifty thousand cloths, counting three kerseys to one cloth; whereby five millions more have been lost for want of dyeing and dressing.

*Need of
protecting
the fishing
industry.*

Our bayes are sent white to Amsterdam, and there dressed, dyed and shipped for Spain, Portugal, etc., where they are sold by the name of Flemish bayes; so we lose the very name of our home-bred commodities.

That the great sea business of fishing employs near twenty thousand ships and vessels, and four hundred thousand people yearly upon the coasts of England, Scotland and Ireland, with sixty ships of war, which may prove dangerous. The Hollanders alone have about three thousand ships to fish with, and fifty thousand men are employed yearly by them on your Majesty's coasts aforesaid; which three thousand ships do employ near nine thousand other ships and vessels and one hundred and fifty thousand persons more by sea and land to make provision to dress and transport the fish they take, and return commodities, whereby they are enabled yearly to build one thousand ships and vessels.

King Henry VII., desiring to make his kingdom powerful and rich by an increase of ships and mariners, and for the employment of his people, moved his seaports to set up the great and rich fishery, promising them needful privileges, and to furnish them with loads of money, yet his people were slack. That by only twenty fishing busses placed at one seacoast town where no ships were before, there must be to carry, recarry, transport and make provision for one buss, three ships. Likewise every ship setting on work thirty several trades. Thus those twenty busses set on work eight thousand persons by sea and land, and caused an increase of near one thousand mariners and a fleet of eighty sail of ships in one town, where none were before.¹

*Significance of
Raleigh's
report.*

The facts revealed in this official document will be somewhat surprising to those who have supposed that England has always been the greatest power in the world. As a matter of fact, the English nation was built by English people during the sixteenth, seventeenth and eighteenth centuries. Hitherto they had been without manufacturing, shipping, foreign commerce and foreign possessions. If she had continued the free trade policy which was pursued for centuries, she would have remained poor, insignificant and dependent. The supremacy of Holland could have been maintained at sea for centuries, while her shops and factories could so have flooded England with her wares, that it would have been impossible for the English people to have passed beyond the making of anything except the crudest sort of implements. The literature of the time reveals the fact that English statesmen were fully alive to the situation, and comprehended the necessity of building up their home industries. From the time of Edward I. to the reign of Elizabeth, only feeble efforts were made toward ship building.

*England's
formidable
rivals.*

The struggle between Spain and England at the time of Elizabeth had given English sailors a schooling in naval warfare. The organization of trading companies had laid the foundation of a merchant marine, and turned the attention of the English people definitely toward foreign trade. The foreign conquest and acquisition of territory in the New World by Spain, Portugal, Holland and France, had aroused the jealousy of England. Holland had become at this time the strongest commercial and maritime power in the world. Venice had ceased to be a competitor

¹ Macgregor's Commercial Statistics, Vol. I., pp. 810-814.

in the western trade. The power of the Hanseatic League was broken; the vast commerce which had formerly been carried on by them had fallen into the hands of the Dutch, whose mariners were controlling trade in every country. In North America, the State of New York, then New Amsterdam, was a Dutch colony. The Portuguese had been driven out of the East, and the trade in spices, formerly held by Lisbon, had been transferred to Amsterdam. In 1623 the English garrison at Amboyna was massacred and the East India Company practically expelled from the country. Their trade was harassed and constantly interfered with by the Dutch, and the British coast swarmed with Dutch fishing vessels.

The war between Holland and England, in the middle of the seventeenth century, was purely a struggle for commercial supremacy. Both countries had defended the Protestant religion, when their seamen fought side by side against Spain and Portugal. The religious prejudices of the time had bound the two nations together by a tie that made them almost one people, but there was one interest upon which they were divided. Holland was struggling to extend and maintain her commercial supremacy, while the English were attempting to undermine it, and acquire it for themselves. The clash came in 1651 when the famous navigation laws were passed by parliament. The account of the period of war which followed is thus concisely given by Mr. McGregor:

In 1651, Dutch vessels being at this time generally employed by the English in the trade with the American settlement was, this year, by the Rump Parliament, considered a sufficient justification for their bringing forward the celebrated Navigation Act, which was now enforced and ten years afterward legalized by Charles II. This act provided that no merchandise, the produce of Asia, Africa, or America, should be imported into England in any but English built ships, commanded by an English master, and navigated by a crew, three-fourths of whom should be Englishmen; nor any fish exported from, or imported into England or Ireland, except of English taking. Until this law was enacted, all nations, in amity with England, might import or export whatever commodities, and in whatever ships, they pleased. Under this act of navigation the English frequently searched and seized Dutch ships; the carrying trade by which, between England and foreign countries, was now completely suppressed.

Cromwell demanded of the States-General:

1. Amount due of the tribute for fishing on the British coasts.
2. Restoration of Amboyna and the spice island to England.
3. Bringing to justice such as were still alive of those who committed the barbarities at Amboyna and Banda.
4. Satisfaction for the murder of Dorislaus.
5. Reparation for damages to English trade by the Dutch in Russia, Greenland, etc., 1,700,000 pounds.

These demands were so peremptorily made by Cromwell, that the Dutch prepared for the war, which broke out next year.

In 1652, Van Tromp, as a signal of his being able to sweep the seas, sailed down the channel with a broom at the masthead of his ships. The Dutch fleet consisted of one hundred and fifty ships great and small. Incredible destruction on the side

The war with the Dutch.

Navigation Act.

England's ultimatum.

The war of 1652-54.

both of the Commonwealth and the Dutch; four general engagements during nine months, besides lesser fights.

1653. In this year a general engagement between the fleet of the Commonwealth, consisting of one hundred ships great and small, commanded by Admirals Monk and Deane, and the Dutch fleet of about the same number, commanded by Admirals Van Tromp, De Ruyter, De Witt and the two Eversons. They fought desperately for two days, the Dutch being finally defeated, losing eleven ships taken, six sunk and two blown up. Van Tromp in his memorial to the States-General says, "The ships and the guns of the Dutch are too slender for those of the English;" and De Ruyter says, "He would not return to sea if he were not re-enforced with greater and better ships."

It would appear that Cromwell had, by this year, managed so efficiently the administration of the navy, that the English had two hundred and four ships of war, manned by thirty-five thousand seamen. They invested the coast of Holland, prevented the fishing vessels putting to sea, and greatly harassed the Dutch trade. Some of the Dutch East India ships were added to their fleet, which in little less than a month amounted to one hundred and ninety-five ships under Van Tromp, who engaged Monk on the Dutch coast. This was a desperate fight. Monk's orders were neither to give nor take quarter. The English gained the victory, lost one ship, took none, but either sunk or blew up twenty-seven Dutch vessels. Van Tromp and a great number of men were killed, and the English suffered great loss of life.

The war between England and Holland, altogether naval, and carried on with such desperation on both sides that De Witt acknowledges the great superiority of the English shipping; besides the ships of war destroyed, the Dutch in two years lose about seven hundred merchant ships, and Holland sends accordingly to Cromwell to sue for peace.

In 1654, peace established by treaty between England and Holland. The most remarkable article of this treaty is, "That the Dutch ships as well of war as others, meeting any of the ships of war of the English Commonwealth in the British seas, shall strike their flag and lower their top-sail." This is the first instance of England's claiming the right of the flag by formal treaty. The States-General were also bound to "See justice done on the authors and abettors of the barbarous murders committed on the English in the island of Amboyna in 1622-23, if any of them be yet alive." Sums of money were also paid to the representatives of the English who suffered at Amboyna, for losses sustained by the detention of British ships by Dutch influence in Denmark, for losses sustained in the East Indies—Cromwell had then fully accomplished his promise, that "*he would make the name of England everywhere respected.*"

*The war
of 1664-67.*

In 1664, New York, then called New Amsterdam, Albany, Staten Island and Long Island, taken from the Dutch by the English, who now founded the province of New York. The English fleet on the coast of Africa take several places from the Dutch, which are soon after retaken by De Ruyter. The Duke of York commands the English fleet and takes one hundred and thirty Dutch merchant-ships—war against Holland then formally declared—merchant vessels at this time were armed and usually sailed in fleets to protect each other.

In 1665, the British fleet of one hundred and eight ships of war and fourteen fire ships under the Duke of York, attacked and defeated the Dutch fleet of one hundred and three ships of war, and eleven fire ships. Several Dutch ships being taken, sunk or burnt. The same year eight ships of war, two East India ships, and many trading vessels were taken from the Dutch. De Ruyter takes the English fort of Cormanteen. Sir Robert Holmes attacks and burns one hundred and fifty Dutch

merchant vessels on the coast of Holland; yet in this year the Dutch make several descents on the coast of England.

In 1666, the English and Dutch fleets fight for four days with great loss on both sides, especially on the part of the English. Several other sea conflicts this year.

In 1667, the Dutch fleet take and blow up Sheerness, sail up the Medway and burn the ships at Chatham.

In 1667, peace between England and Holland. Louis XIV., this year, overruns the Netherlands.

In 1668, the triple alliance between England, Holland and Sweden. Peace of Aix-la-Chapelle.¹

In the meanwhile Louis XIV. of France saw with pleasure these efforts at mutual destruction on the part of the two greatest maritime nations of the world. In the decade from 1660 to 1670, however, the English trade seems to have suffered more heavily than the Dutch, for according to the statement of a contemporary writer,² the Dutch and Hamburgers annually employed from four hundred to five hundred ships in the Greenland whale fishery at this period and the English but one. Moreover, the Dutch had a virtual monopoly of the Russian trade, the large trade in salt from Portugal and France, and the fishing for white herrings on the English coasts; while the English trade in the Baltic had fallen off one-half, the Dutch had increased ten-fold. In 1672 England was again involved in war with Holland under the secret treaty of Dover between Charles II. and Louis XIV., but the war was not popular in England and Louis was left to carry it on alone (1674). For a time Holland seemed destined to sink to the condition of a vassal of France, but the terms of peace were so galling as to drive the people to desperation. The dykes were cut and the French, unable to advance over a flooded country, were obliged to retreat. Peace was forced upon the French monarch by the intervention of England and Spain and the Dutch escaped from the war with their independence unimpaired and their credit restored. With the return of peace between England and Holland in 1674 their mutual trade began to assume great importance and the accession of the Dutch Stadtholder William to the English throne improved their commercial relations.

Subsequent relations between England and Holland.

Nevertheless the navigation laws were rigorously maintained. They provided that no goods of the growth, produce, or manufacture of any country in Europe should be imported into Great Britain, excepting in British ships, or in such ships as were the property of the people of the country or place in which the goods were produced, or from which they were exported. This restriction was intended wholly to injure the traffic of the Dutch, whose commerce consisted almost entirely in dealing in the produce of other countries. A further provision confined to English ships the carriage of a large number of enumerated articles of

¹ Macgregor's Commercial Statistics, Vol. 1., pp. 817-19. quoted in Macgregor's Comm. Stat., Vol. I.

² Childe's Discourse Upon Trade,

*England
in the
eighteenth
century.*

commerce. The navigation laws which secured to the English shippers a monopoly of the carrying trade, remained in force in their main features until 1849, when steam navigation was introduced and England with her vast facilities for constructing steam vessels no longer needed such regulations to keep the carrying trade in her hands.

No sooner had England crushed the Dutch, no sooner had she secured to her own merchants and ship-owners a monopoly of the carrying trade to and from England, and through her trading companies, extended her trade to every portion of the globe, than a new rival arose in the French. From the close of the seventeenth century to 1815, England was almost constantly engaged in foreign wars for commercial supremacy. She was hardly out of one before some new cause or pretext arose for engaging in another. The Dutch, Spanish, Portuguese and French were seizing the territory of the New World. If British possessions were to be extended, it could be only through wars of conquest and by taking from those countries what had already been acquired. From 1688 to 1815 the struggle between France and England was interrupted only by short intervals of peace and was renewed by England upon the slightest pretext.

The war of William III. and Anne against France, known as the War of the Spanish Succession, in 1702-13, was waged to prevent Louis XIV. from adding Spain to his dominion, and thus becoming a more formidable rival of England. Although this war increased the national debt of Great Britain over two hundred and fifty million dollars, yet it was a profitable commercial undertaking. It not only curbed and checked the rising power of France, but gave to England Gibraltar, the Hudson Bay Territory, Newfoundland and Nova Scotia. In 1739 another war broke out between Spain and France on the one side and England on the other. Philip V. of Spain, had entered into a secret compact with Louis XV. of France, by which it was agreed that Spain should exclude English vessels from the South America trade. England forced a recognition of her supremacy at sea. This war drifted into the war of the Austrian Succession, which lasted eight years, and resulted in crippling the power and checking the growth of France.

Owing to disputes which arose between the French and English settlements in North America, war was renewed in 1756. This is known in American history as the French and Indian war, and in Europe as the Seven Years' War, for while the conflict was raging for dominion in the New World between England and France, hostilities were being carried on on the Continent, where England and Prussia fought against France. England not only harassed and crippled the French trade and shipping in every part of the world wherever it could be attacked, but at its close compelled a cession of a vast territory in the New World. She gained Canada, all of British North America, Florida and all of the French possessions on

the Mississippi River, excepting New Orleans. During this same struggle, the power of the French was broken in India. The French, who had united with native princes, were defeated in successive battles, and finally by 1765, the dominion of the East India Company was extended over Bengal, Behar and Orissa. The power of the English was fully established in the East, and from that time until the present, has not been subjected to foreign interference.

It was in the war of the American Revolution that England received the first check to her ambition of almost universal dominion. The facts and circumstances connected with this important struggle, beginning in 1776 and lasting until 1783, are familiar to the reader, and it would be out of place to enter upon a recital of the details. The causes, however, which contributed largely to the revolt on the part of the colonists, will appear when we come to consider England's colonial policy.

The Napoleonic wars which lasted from 1793 almost uninterruptedly until 1815, a period of over twenty years, are less important for the territory acquired, than for the commercial advantages which England secured by the impoverishment of all Continental countries, the destruction of their industries and the annihilation of their commerce. The vast territory in the United States, lying between the Mississippi River and the Pacific Ocean, comprising the whole region excepting the States of California, Texas and New Mexico, was ceded by Spain to France in 1800. Napoleon, recognizing the danger of this vast region's falling into the hands of England, ceded it to the United States in 1803. This transaction, known as the Louisiana purchase, illustrates the fear which England's long-continued success as a colonizing nation and as a naval power inspired in the strongest of her enemies. Napoleon had reasonable grounds for apprehension.

British gains from the Napoleonic wars.

There has been no war in modern times of such magnitude, as this one between Napoleon and the powers of Europe. While England was furnishing money to Napoleon's enemies and maintaining vast armies in the field, the destruction of industries on the Continent, and the annihilation of the shipping and foreign trade of all Continental countries, left her, at its close, the only nation that had profited by the struggle. While the conflict was raging on the Continent, her own cities and towns, secure from attack, were perfect beehives of industry. She was at this time, indeed, as Napoleon stated, "the workshop of the world." It is said that when his army invaded the cold regions of Russia, it was clothed with English woollens. Notwithstanding the decree of Napoleon which ordered all English goods found on the Continent to be seized and confiscated, English factories and artisans were supplying the hostile powers with arms and ammunition, clothing and implements, to an immeasurable extent. While England secured the islands of Malta, Ceylon, Trinidad, the Cape of Good Hope and a few other possessions, the great advantage derived from

this struggle was the absolute commercial supremacy which she attained, the entire trade and commerce of the world having fallen into her hands.

The eighteenth century was the great period of her acquisition of foreign territory. Below is given a statement of the date of settlements and mode of acquisition of colonies and foreign possessions.

THE BRITISH COLONIES.

*Great
Britain's
colonial
possessions.*

COLONY.	MODE OF ACQUISITION.	DATE.
Anguilla	Settlement	1650
Antigua	Settlement	1632
Ascension	Settlement	1827
Bahamas	Settlement	1629
Barbadoes	Settlement	1625
Barbuda	Settlement	1628
Berbice	Capture	1803
Bermuda	Settlement	1609
British Columbia	Settlement	1858
British Kaffraria	Separated from C. of G. H.	1860
Canada East	Capture.	1759
Canada West.	Capture.	1760
Cape Breton	Settlement and capture.	
Cape of Good Hope	Capture.	1806
Ceylon	Capture.	1795
Demerara and Essequibo	Capture.	1803
Dominica	Cession	1763
Falkland Islands	Settlement	1842
Gambia.	Settlement	1631
Gibraltar	Capture.	1704
Gold Coast	Settlement	1661
“ (late Danish).	Cession	1850
Grenada.	Cession	1763
Heligoland	Cession	1814
Honduras	{ Cession.	1670
	{ Settlement	1742
Hong Kong	Cession.	1842
Jamaica	Capture.	1655
Labuan	Cession.	1846
Lagos	Constituted a Colony	1862
Malta, Gozo and Comino.	Capture.	1800
Mauritius	Capture.	1810
Montserrat.	Settlement	1632
Natal	Settlement	1824
Nevis	Settlement	1628
New Brunswick	{ Settlement	
	{ Separated from N. Scotia	1784
Newfoundland	Settlement	1608
New South Wales.	Settlement	1788
New Zealand.	Settlement	1839
	{ Settlement	1788
Norfolk Island.	{ Re-Settlement.	1825
	{ Transferred to Pitcairn Is'ders	1856

COLONY.	MODE OF ACQUISITION.	DATE.
Nova Scotia	Settlement and Capture	
Prince Edward Island	Settlement	
Queensland	Separated from N. S. W.	1859
St. Christopher	Settlement	1623
St. Helena.	Cession.	1673
St. Helena.	Transferred to Government	1836
St. Lucia	Capture.	1803
St. Vincent	Cession	1763
Sierra Leone.	{ Settlement	1787
	{ Transferred to Government	1807
South Australia	Settlement	1836
Tasmania	Settlement	1804
Tobago	Cession.	1763
Trinidad	Capture.	1797
Tristan D'Acunha	Settlement	1818
Turks and Caicos.	Settlement	
Vancouver's Island	Settlement	
Victoria	{ Settlement	1836
	{ Separated from N. S. W.	1850
Virgin Islands.	Settlement	1666
West Australia.	Settlement	1829

NOTE: "The Auckland Island settlement, formed in 1849, was abandoned in 1853. The Bay Islands have been resigned to the State of Honduras (which guarantees their neutrality). Fernando Po has been given up to Spain, to which it properly belongs, and the Ionian Islands have been ceded to Greece."

The dominating idea of the English people has been to keep down and destroy all rivals, to build up and promote the material interest of England. Her colonies and foreign possessions were regarded wholly as a source of revenue for the home government. Her foreign wars have been carried on, and conquests and settlements made, for the purpose of establishing markets for her domestic produce and of monopolizing the foreign trade. All her legislation, whether placing prohibitions and duties on imports or giving bounties to exporters or ship builders, and even the final repeal of such enactments, including the adoption of free trade, had this one purpose in view. Creating and maintaining advantages in commerce had been the chief study of the English people, from the time of Elizabeth to the present day. All changes of policy or legislation have simply been attempts to accomplish the same end by different means. Inordinate selfishness often blinded her people to the wisest and most politic course. The treatment of the American colonies proved to be unwise, when regarded purely from the standpoint of promoting the material welfare of England, as it resulted in a revolution which established their independence, and England lost her most valuable and richest possession. England, however, was not aware of the growing strength and importance of the people of the New World, and their increasing ability to resist aggressions and defend themselves against arbitrary and unjust laws.

English colonial legislation—its purpose.

*Navigation
acts.*

The English Government attempted, as soon as the first indications arose of the building of rival manufactures in the New World, to suppress them and to compel the colonists to confine themselves to the production of food products and raw materials, and to buy their clothing, implements, tools and foreign luxuries from English manufacturers and merchants. This policy would, of course, impoverish her subjects in America, and constantly enrich the English. The colonists' surplus gain would yearly be expended in the purchase of foreign wares; the balance of trade would necessarily be against them, which would absolutely prevent any considerable accumulation of specie in the country. When this policy was begun, it was undoubtedly promoted by commercial reasons; later, as political differences arose, and the spirit of independence began to show itself, political considerations influenced the English Government to make it impossible for the colonists to live within themselves, or to become strong enough to separate from the mother country. It is, then, from both standpoints that the legislation must be considered. The effort absolutely to prevent an energetic, industrious and ambitious people from engaging in manufacturing pursuits and supplying their own wants by their own labor, furnishes a series of the most arbitrary and unjust legislative enactments anywhere to be found. The several acts of parliament through which this purpose was sought to be accomplished are so familiar to the American people, that but brief notice of them is necessary here. They are referred to in all histories of the United States in connection with the causes which led to the American Revolution. Some of the more important ones may be briefly stated as follows:

In 1650 the carrying trade was confined to British and colonial ships. In 1660¹ the carrying trade was taken from the colonists and by a navigation act the chief articles of export were required first to be brought to England in English ships, and there warehoused before reshipment to other countries.

In 1663 an act was passed "which allowed no foreign commodity to be sent to the colonies, unless it was actually laden and put on board at an English port and sent in an English ship."

In 1699 the British parliament declared that "no wool, woollen yarn or woollen manufactures of her American plantations should be there shipped, or even laden in order to be transported from thence to any place whatever."

The House of Commons declared in 1719 "that erecting any manufacture in the colonies tended to lessen their dependence on Great Britain."

In the early part of the eighteenth century the emigration from Europe was so increasing and the growth of the colonies was so rapid that their trade became yearly of greater importance to the English people.

¹ 12th, Charles II., c. 18.

Complaints were being made to the government by manufacturers, and finally the Board of Trade was called upon for a report upon the subject, a statement of which is given by Mr. McGregor, as follows:

That the colonists were not only carrying on trade, but also setting up manufactures detrimental to Great Britain; and, in consequence of these reports, an order was issued by the House of Commons requiring the Board of Trade to report with respect to *laws made, manufactures set up or trade carried on detrimental to the trade, navigation or manufactures of Great Britain*. The report made by the Board of Trade in 1732, which, although probably not accurate, contains the best account of the condition of American manufactures at that period. This report stated that a law had been passed in the colony of Massachusetts Bay to encourage the manufacture of paper, which act tended to diminish the profits made by the British importer of that article; that in New England, New York, Connecticut, Rhode Island and Pennsylvania, woolen and linen cloth were manufactured to some extent for domestic use, and that the product of those colonies being chiefly cattle and grain, with a quantity of sheep, the wool would be lost were it not used for that purpose. It was also reported, that flax and hemp were produced in the colonies to a considerable extent, which were manufactured into a coarse sort of cloth as well as bags, traces and halters for their horses, that were more serviceable than those that were imported from abroad; yet from the high price of labor here, the manufacture of linen could not be carried on at less than twenty per cent, and that of woollens than at fifty per cent. less than the cost of the English fabrics. The returns from the English governor of New Hampshire alleged that there were no manufactures in that province, excepting a little linen made by its immigrants from Ireland, but that the principal trade was in lumber and fish. Massachusetts at that time also manufactured a coarse cloth from their flax and wool, but the merchants could import the foreign fabrics at a cheaper rate than they could purchase those which were made at home. A few hat makers worked at their trades in the towns of that State, but none of their articles were exported. The leather of this province was also wrought by the people; and although iron was worked to some extent, it was deemed inferior to that which was imported from Great Britain; this being considered much the best, as it was wholly used in shipping. The same report stated that all the iron works within its bounds did not make one-twentieth part of the amount required for its consumption. Nor did New York, at that time, exhibit the degree of manufacturing enterprise which was deemed detrimental to Great Britain—provisions, furs, whale-bones, pitch, oil and tar, constituting the principal portion of its trade. That of New Jersey was no more formidable in this respect, as its traffic consisted of necessary articles shipped from Pennsylvania and New York. To these articles may be added a little linen and cotton cloth, brown holland, "for women's wear," a paper mill that manufactured to the amount of two hundred pounds yearly, in the province of Massachusetts Bay, besides six furnaces and nineteen forges for making iron, that had been constructed in New England. In Rhode Island there were no manufactures returned; and the province of Connecticut produced timber and boards, all sorts of English grain, hemp, flax, sheep, black cattle and swine, goats, horses and tobacco. The manufactures in this colony were inconsiderable, the greater portion of the people being engaged in tillage, while others were employed in the various handicrafts, such as tanning and shoemaking, in building, joining, tailors' and smiths' work. At this period the colony of New York was enabled to pay for the foreign fabrics imported from Great Britain, by being permitted to exchange their provisions, and those of New Jersey, as also horses and lumber, with the foreign colonies, for money, rum, molasses, cocoa,

Manufactures in the colonies—Report of the Board of Trade in 1732.

indigo, cotton and wool. Horses and lumber were exported from Connecticut in return for sugar, molasses, salt and ardent spirits. In Pennsylvania, brigantines and small sloops were built, which they sold to the West Indies, and the "surveyor general of his Majesty's woods" states, that in the province of New England many ships were built for the French and Spaniards in exchange for rum, molasses, wines and silks, which "they truck there by contrivance." (Report of the Board of Trade.)¹

The interest which was then being taken in the subject of the rise of a possible rival in the New World entailing a loss of trade is further indicated by the following article which appeared in the Merchants' Magazine:

*Severe laws
against
colonial
manufac-
tures.*

The commerce which was carried on in America for nearly a century both by the French and English, was confined to the exchange of European articles for the furs of wild animals and to the fisheries on the coast. The policy of Great Britain was afterward perseveringly directed against the manufacturing industry of the colonists. As early as 1731 the jealousy which existed on this subject induced the House of Commons to report with respect to "any laws made, manufactures set up or trade carried on in the colonies, detrimental to the trade, navigation and manufactures of Great Britain;" and, in consequence of an *alarming* discovery in respect to the manufacturing of hats, it was ordained that no hats or felts should be exported from the colonies, or "loaded on a horse, cart, or any other carriage, for transportation from one plantation to another." In 1750, another law was passed, equally degrading. It prohibited the "erection or continuance of any mill, or other engine for slitting or rolling iron, or any plating forge to work with a tilt hammer, or any furnace for making steel in the colonies, under penalty of two hundred pounds."

*Contem-
porary
English
opinion.*

Lord Chatham declared in a speech delivered in parliament that "the English colonists of North America had no right to manufacture even a nail or a horseshoe." Lord Sheffield in defining the policy of England toward her American colonies said: "The only use of American colonies or West India Islands is the monopoly of their consumption and the carriage of their produce." Joshua Gee, an English writer and government official, in referring to the English policy said:

That manufactures in American colonies should be discouraged or prohibited. "We ought always to keep a watchful eye over our colonies, to restrain them from setting up any of the manufactures that are carried on in Great Britain; and any such attempts should be crushed in the beginning. For if they are suffered to grow up to maturity, it will be difficult to suppress them. Our colonies are much in the same state Ireland was in, when they began the woolen manufactory; and as their numbers increase, they will fall upon manufactures for clothing themselves, if due care be not taken."

If we examine into the circumstances of the inhabitants of our plantations, and our own, it will appear that not one-fourth part of their own products redound to their own profit; for out of all that comes here, they only carry back clothing and other accommodations for their families, all of which is the merchandise and manufacture of this kingdom. "New England and the northern colonies have not commodities and products enough to send us in return for purchasing their necessary clothing, but are under very great difficulties; and therefore, any ordinary sort sells

¹ Commercial Statistics, Vol. III., p. 543, "Manufactures in the United States."

with them, and when they have grown out of fashion with us, they are new fashioned enough there."

That this policy was one of the chief causes that led to the Revolution is well understood, and the experience of the British Government in this instance caused it, in later years, to modify its course toward its other colonies, which has resulted finally in efforts to build up home industries, through a system of protective tariffs against the interests of English manufactures.

The same restrictive policy pursued against the colonies was also enforced to prevent rival industries from springing up in Ireland. Laws were enacted which prevented the Irish people from engaging in woolen manufactures. The linen industries of the country were favored because at this time there were no important English linen manufactures to suffer from this competition. In 1620 the importation of cattle into England from Ireland was prohibited. It was estimated that at this time one hundred thousand head were brought into the country each year.¹ The navigation laws prevented the Irish from trading with the colonies and engaging in trade with English ports. This practically drove every Irish trading vessel from the sea.

Ireland.

It is hardly necessary to pursue in detail the policy which had become so thoroughly established and was so persistently and arbitrarily enforced for the regulation, control and establishment of industries. Every new invention was patronized, every new industry was fostered and encouraged, until everywhere throughout the whole realm villages and cities became beehives of trade and manufactures. A tract, published in the early part of the seventeenth century, speaking of the tariff policy says, "It is the wisdom of the kingdom or nation to prevent the importation of any manufactures from abroad, that might be a detriment to others at home." While this principle was fully recognized and acted upon, the English Government went farther by attempting to supplant all rivals in existence, and by forever preventing any new ones from rising in any other country which it could control. Legislation to promote home industries did not stop with Elizabeth or Cromwell, but continued through the successive reigns and was applied whenever a new industry or condition made it necessary. In 1660 all burials were required to be made in woolen shrouds, and in coffins lined with woolen cloth. This, of course, was to encourage or force a larger consumption of woolen cloth in the country. In 1740 the importation of woolen yarn from Ireland was made duty free. Duties were also removed from the imports of dye stuffs, and an attempt was made to encourage the cultivation of madder in England. In 1750 raw silk was admitted free of duty when grown in British colonies. So it appears that in some instances revenues were surrendered in cases where industry might thereby be benefited. In 1765 the

*Additional
legislation
to promote
home in-
dustries.*

¹ Parliamentary History, I., 1195.

importation of foreign silks was entirely prohibited, while laces, muslins and calicoes were permitted to be warehoused until they could be re-exported. In 1745 a penalty of five pounds was imposed on all persons found selling or wearing French cambric or lawns.

Bounties.

To encourage the production of domestic goods in 1722, three shillings were paid by the government on the exportation of every pound weight of silks; four shillings for silks mixed with gold or silver, and one shilling on silk stockings. Especially important were the efforts to promote ship building. In 1703 bounties were paid on imports from American colonies of pitch, tar, hemp, turpentine, masts and spars. Ship building was also stimulated by paying a reward for the construction of ships of large size. A tenth part of the tonnage and poundage duty for the first three voyages were given to the ship owner for building a three-decker of four hundred and fifty tons capable of carrying thirty-two guns. A royal navy of thirty thousand reserves, ready to be called into service at any time, was enrolled. They were paid two pounds sterling per annum whether called upon or not, and when in active service were given a larger share of the prize money, and a preference in promotion over common sailors.

Patents and monopolies.

The granting of monopolies, the system of bestowing upon individuals and companies the exclusive privilege of carrying on a particular trade or industry during a period of years, was prohibited by the statutes of monopolies passed in 1623,¹ although for some time thereafter many special privileges were given to establish new industries, which were exempt from the operation of the general law. The monopolies thus created, and special favors given to individuals, are criticised and held up as representing the principal feature of the industrial system of England prior to the adoption of free trade. While it is true that measures were resorted to, which to some appear extremely arbitrary and unnecessary, yet they are easily separated from the wise, just and beneficent features of the mercantile system by those who are not seeking to misrepresent or to condemn a whole policy, because of a few errors. It is from this specific feature of the mercantile system that the advocates of free trade attempt to associate the doctrine of a protective tariff with monopolies. When the old writers, Adam Smith for instance, condemned the monopolies of the mercantile system, they did not have in mind that branch which resorted to just import duties, protecting every citizen within the realm alike, and conferring upon no citizen a privilege which was not equally open to all.

It is hardly necessary to attempt to give in detail the instances in which monopolies were granted after the passage of the general statute in 1623. They were resorted to by the king to accomplish the double purpose of raising revenue and encouraging the establishment of new industries.

¹ 21st, J. I., sec. 23.

The privileges thus extended were limited to a term of years, and finally were confined almost wholly to the granting of letters patent.

The latter part of the eighteenth century was a period of industrial improvement and invention which revolutionized the industries of the country and placed England far in advance of every country in the world. The most important improvement being the invention of machinery for the production of textile fabrics. Up to this time the making of woolen cloths constituted the chief industry of the country. The expansion of this industry during the eighteenth century was most marvelous. At the close of the seventeenth century the value of the wool clip was \$10,000,000 from 12,000,000 sheep, and the cloth manufactured was worth \$30,000,000 or \$40,000,000. Nearly a half century later, in 1741, the number of sheep in the country was 17,000,000. By 1774 the value of the woolen manufactures had reached \$65,000,000.¹ At this time but little cotton was manufactured. The calicoes and prints were brought from Asia. It was through the invention of machinery that the cotton industry sprang suddenly into existence, and in the early part of the nineteenth century became the chief source of England's power in foreign trade and enabled her to become the greatest cotton manufacturing country in the world. In 1760 James Hargreaves invented the spinning jenny, which came into use ten years later. At first, by this machine eight threads could be spun as easily as one could by the old process. It was soon brought to such perfection that a girl could tend from eighty to one hundred and twenty-eight spindles. This machine was supplemented in 1771 by the spinning frame patented by Sir Richard Arkwright. By this machine the spinning of fine thread was made possible. The mule jenny was invented by Crompton in 1779, and the power loom by Cartwright in 1775. In 1769 James Watt had discovered the means of utilizing the power of steam, and invented the steam engine. In 1769 it was first used in pumping water from coal mines, and later applied as a power for running machinery. There was just one invention left to be made to perfect the processes of producing cotton cloth with great rapidity, and at so small a cost that it could be placed within the reach of everybody. This invention was reserved for an American. In 1793 Eli Whitney invented the cotton gin, by which the wool could be separated from the seed at a merely nominal cost.

Industrial advance at the close of the eighteenth century.

Improvement in cotton manufactures.

During the eighteenth century England had developed her coal mines, and hence was provided in advance of all other countries with the means by which she could excel in cotton manufacturing. The rapidity with which this industry grew after these inventions is one of the industrial marvels of the world. The importation of raw cotton increased from 9,000,000 pounds in 1783 to 18,000,000 in 1785, and had reached 60,000,000 pounds by 1802.

¹ Industrial History of England, p. 135.

Exportation of machinery prohibited.

The English manufacturers were not content with the advantage so suddenly thrust upon them, and immediately applied to parliament to prevent by legislation, if possible, other countries from using their new inventions

The machinery of Arkwright and Hargreaves impressed upon parliament the importance of cotton manufacturing and the advantages which might be derived from it. Steps were immediately taken, in the year 1774, to prevent the exportation of machinery. The act¹ was entitled, an "Act to prevent the exportation to foreign parts of utensils made use of in the cotton, linen, woollen and silk manufactures of this kingdom." The preamble recites:

Whereas, the exportation of the several tools or utensils made use of in preparing, working up, and finishing the cotton and linen manufactures of this kingdom or any or either of them, or any other goods wherein cotton or linen or either of them are used, will enable foreigners to work up such manufactures, and greatly diminish the exportation from this kingdom; therefore for preserving as much as possible to his Majesty's British subjects the benefits arising from these great and valuable branches of trade and commerce, it is enacted, etc.

"Stringent provisions are then made against the putting on board of any ship, vessel or boat which shall not be bound to some port or place in Great Britain or Ireland," of any such tools or utensils as are commonly used or proper for the preparation, working up, or finishing of the cotton or linen manufacture, under penalty of forfeiture of such tools, etc., and a fine of two hundred pounds. Similar penalties are imposed for having in possession, with intent to export the same out of the kingdom, any tools or implements used in the woollen or silk manufacture.

The provisions of this statute, says John L. Hayes,² were either not sufficiently stringent, or the rapidly increasing importance of the manufactures demanded a more rigid restriction; for in the year 1781 another statute³ was enacted explaining and amending the former act, and prohibiting the exportation of "any machine, engine, tools, press, paper, utensil or implement whatever, which now is, or may at any time be used in, or proper for preparing, working, pressing, finishing, or completing of the linen, cotton, wool or silk manufactures of this kingdom, or any other goods wherein wool, cotton or silk is used, or any part of such machine, etc., or any model or plan of any such machine." To the forfeiture of the machine, etc., and fine of two hundred pounds as in the previous statute, is added imprisonment for the space of twelve months.

In the year 1825, upon a general revision of the custom laws, the above statutes were repealed, but in the new act for the regulation of the customs which was thereupon passed⁴ it was provided that certain articles should be absolutely "prohibited to be exported." Among those mentioned are,

¹ 14th, George III., c. 71. ² American Textile Machinery, pp. 8-9. ³ 21st, George III., c. 37.
⁴ 6th, George IV.

any machine, engine, tool, press, paper, utensil or instrument used in or proper for the preparing, working, pressing or finishing of the woolen, cotton, linen or silk manufactures of the kingdom, or any other goods wherein wool, cotton or silk is used, or any part of such machine, etc., or any model or plan thereof (except wool cards and spinners' cards not worth above 4s. and 1s. 6d. per pair respectively). To this list was added utensils used in cotton printing. It will be seen that in the list of articles prohibited, the precise language of the statute of 1781-2 is retained. A revision of the customs tariff was made again in 1833 and in the table of prohibitions of exportations the same list occurs.¹ This prohibition remained in force, it would seem, for twelve years, although it may have been less rigidly enforced or the means of evasion were greater with the increased facilities of intercourse with England than at an early period.² The Act of 1833 was not repealed until 1845 about the time England changed her policy and adopted free trade.

A duty on the importation of manufactures of cotton amounting to forty-four per cent was imposed by the general tariff law of 1787 and increased to fifty per cent in 1819. It was repealed, however, in 1846.

The iron industry is one of the oldest in England. It received its great impetus in 1740, when the process of smelting began to be carried on by the use of pit coal instead of charcoal. In 1740 the quantity of pig iron was 17,000 tons, made from fifty-nine furnaces; in 1788, 68,000 tons, from eighty-five furnaces; in 1796, 125,000 tons from one hundred and twenty-one furnaces, and in 1806, 250,000 tons from one hundred and sixty-nine furnaces.

Iron industries.

The discoveries made by Josiah Wedgwood in 1760, gave to the English people a superiority in the manufacture of pottery, which had not hitherto existed. The rapid growth of this industry, during the latter part of the eighteenth century, added immeasurably to the industrial power of the country.

The eighteenth century was a period of systematic development and intrenchment of the English people in every branch of production, trade and commerce. The marvelous growth of foreign trade and shipping; the perfection and improvement in manufacturing and the fisheries; the establishment of colonies and the acquisition of foreign possessions, all combined to make the eighteenth century the most important, in some respects, in the commercial history of the country. Space will not admit of a detailed analysis of all of these phases of production and sources of wealth. Besides, this was a great period of public enterprises. The improvement in highways; the building of bridges and the making of turnpike roads, together with the construction of canals, provided means of communication and transportation throughout all parts of the kingdom. Rivers and harbors were improved; light-houses

General summary—The eighteenth century a period of great economic advance.

¹ 3d and 4th, W. IV., c. 52.

² Textile Machinery, John L. Hayes, pp. 7-8.

were built, and in fact every means which was known to the English people, or which could be devised, was resorted to for the development of the country and the encouragement of trade.

John Wade, in his history of "Middle and Working Classes of England," during the reign of George II., (1727 to 1760,) says:

*Evidence
of economic
prosperity.*

Of the thirty-three years of this king's government, only thirteen were years of war; the remainder of peace, prosperity and great internal improvements. Shipping increased, agriculture, commerce and the manufacturing arts flourished. Under numerous enclosure acts the waste lands were reclaimed; new roads were opened and old ones improved; bridges were erected, and numerous rivers widened and deepened, for facilitating internal communication; vast quantities of corn were annually exported. The balance of payments in return for the excess of exports, in grain and other commodities kept up the circulation almost without the aid of a paper currency; commercial interest ran steadily at three per cent. The prices of the public securities rose above par, so that ministers were enabled to reduce annuities by offering the usual alternative to the creditors of either the payment of the principal or the acceptance of a lower rate of interest.

The activity of national industry and abundance of capital are evidenced by the extent of local improvements, especially in London and Edinburgh. In London no fewer than eight new parishes were erected between the Revolution and the end of the reign of George II. An act had passed in Queen Anne's reign for the building of fifty additional churches in the metropolis. The extension of commerce and manufactures caused a great addition to the population in the chief seats of industry and enterprise in the country,—in Manchester, Birmingham, Liverpool, Bristol, Glasgow, Leeds, Sheffield, Frome.

The growth of population was very great. Prior to 1751 it had not increased over 3 per cent during any period of ten years, but from 1751 to 1781 the increase in each ten year period was 6 per cent. Between 1781 and 1791, the increase was 9 per cent, and 1791 and 1801, 11 per cent, and 14 per cent between 1801 and 1811, and 21 per cent between 1811 and 1818. In 1760 the population was 8,000,000, and it had reached 12,000,000 in 1819.

*Condition
of the work-
ing classes.*

The demand for labor which had been occasioned by the development of the vast system of diversified industries, then carried on in all parts of the country, had brought about an increase in wages and such a general improvement in the condition of the laboring classes that this period is universally referred to by the historians of the time as one of great satisfaction and encouragement in this respect. The vast factory system had not been introduced, every village, and in fact the rural districts were filled with those small shops and factories in which various branches of manufacturing were carried on. Daniel De Foe in his "Tour Through Great Britain," in giving an account of his observations of the condition of the people, near Halifax, in Yorkshire, between 1724 and 1726, says:

The land was divided into small enclosures from two acres to six or seven each, seldom more, every three or four pieces of land having a house belonging to them;

hardly a house standing out of speaking distance from another. We could see at every house a tenter, and on almost every tenter a piece of cloth or kersie or shalloon. At every considerable house there was a manufactory. Every clothier keeps one horse at least to carry his manufactures to the market; and every one generally keeps a cow or two or more for his family. By this means the small pieces of enclosed land about each house are occupied, for they scarce sow corn enough to feed their poultry. The houses are full of lusty fellows, some at the dye-vat, some at the looms, others dressing the cloths; the women and children carding or spinning; being all employed from the youngest to the oldest.

De Foe further adds, "Not a beggar to be seen or an idle person."

The improvement in agriculture; the ease and comfort enjoyed by the people during this century, present a striking contrast to the conditions which prevailed in the early part of the reign of Queen Elizabeth, before the fostering care of protective legislation became the settled national policy. As the artisans, manufacturing, commercial and professional classes increased, the home market for the produce of the farm expanded. It was the vast increase of the home market, occasioned by the growth of population, incomes and wealth of the people of England, which so immeasurably improved the condition of the agriculturist.

Mr. Gibbins says of the condition of the rural population in the latter part of the eighteenth century:

Nor was that convenient plenty which was the lot of the manufacturing portion of the people, confined only to that section. The condition of the agricultural laborer, who was generally the worst off of all classes, from being so much under the direct supervision of his master, had considerably improved together with the general improvement of agriculture spoken of in a previous chapter. The price of corn had fallen, while wages had risen, though these were less than an artisan's, being, according to Arthur Young's average estimate for the North and Midland counties, about 7s. a week. But it was generally 8s. or 10s., while the board of a working man may be placed at about 5s. or 6s. a week. Cottages were occasionally rent free, or at any rate only paid a low rent, never more than 50s. or 60s. per year. There was an abundance of food, clothing and furniture. Wheat bread had entirely superseded rye bread. Every poor family now drank tea, which had formerly been a costly luxury. "The consumption of meat was," says Arthur Young, "pretty considerable," and that of cheese "immense." Indeed, he states that the laborers, "by their large wages, and the cheapness of all necessaries enjoyed better dwellings, diet and apparel in England than the husbandmen or farmers did in other countries."

*Condition
of rural
population.*

John Wade, in his history above quoted from, speaks of the agricultural improvements as follows:

In 1710 the winnowing machine was introduced from Holland, and also about the same time the thrashing machine began to be used in the northern parts of the island. In 1732 the celebrated Jethro Tull commenced his experiments on his farm in Berkshire, but thirty years elapsed before they excited much practical attention, and before the more valuable parts of his system began to be adopted by intelligent agriculturists. He introduced the drill-husbandry and recommended the substitution of labor and arrangement in the place of manure and fallow in the culture of land. A rotation of crops and the cultivation of turnips, clover and potatoes in

*Improve-
ment in
agricul-
ture.*

¹ Industrial History of England, pp. 149-50.

*General
prosperity
of the
country.*

the field became more general. That agriculture was extending is shown by the course of legislation. More land was demanded for cultivation. In the belligerent reign of William III. not a single act was passed for the enclosure of wastes or the draining of marshes. In the equally fighting reign of Anne, there were only two enclosure acts, but in that of George I. the number was twenty-six, and in the thirty-three years' reign of George II. two hundred and twenty-six were passed.

The Earl of Lauderdale, writing at the close of the eighteenth century, considers England superior to all other countries in wealth, power and the material welfare of her people. He says:

This nation is at present the greatest commercial country in the world. There is hardly any people, in any climate with whom our merchants have not dealings; and if we examine the cargoes that are made up to suit the demands of different nations, we shall universally observe that it is the distribution of property in each country that dictates the nature and quality of the goods that are sent to it.¹

England is the only country in Europe where wealth is so diffused that the great body of the manufacturers, that is, a great proportion of the people can afford to enjoy a mixture of animal with vegetable food for their nourishment.²

In 1786, Mr. Pitt, then Prime Minister, introduced a proposal for the accumulation of a sinking fund, which was followed in 1792 by a bill for its increase. Upon this occasion, the Prime Minister presented in a speech delivered in parliament, a review of the prosperity and commercial importance of the country, which shows the pre-eminent position occupied by England at this time as a commercial nation, and the causes which were then operating to augment the vast accumulation of capital which was going on. The following extract from the speech of Mr. Pitt, is taken from the Earl of Lauderdale's "Inquiry into the Nature and Origin of Public Wealth:"

*Causes
assigned by
Pitt for the
national
prosperity.*

Having stated the increase of revenue and shown that it has been accompanied by a proportionate increase of the national wealth, commerce and manufactures, I feel that it is natural to ask, what have been the peculiar circumstances to which these effects are to be ascribed?

The first and most obvious answer which every man's mind will suggest to this question is, that it arises from the natural industry and energy of the country; but what is it which has enabled that industry and energy to act with such peculiar vigor, and so far beyond the example of former periods? The improvement which has been made in the mode of carrying on almost every branch of manufacture, and the degree to which labor has been abridged by the invention and application of machinery, have undoubtedly had a considerable share in producing such important effects. We have besides, seen, during these periods, more than at any former time, the effect of one circumstance which has principally tended to raise this country to its mercantile pre-eminence; I mean that peculiar degree of credit, which by a twofold operation at once gives additional facility and extent to the transactions of our merchants at home, and enables them to obtain a proportional superiority in markets abroad. This advantage has been most conspicuous during the latter part of the period to which I have referred, and it is constantly increasing in proportion to the prosperity which it contributes to create.

In addition to all this the exploring and enterprising spirit of our merchants has been seen in the extension of our navigation and our fisheries, and the acquisitions

¹ Inquiry into Nature and Origin of Public Wealth, p. 321. ² Id., p. 324.

of new markets in different parts of the world; and undoubtedly those efforts have been not a little assisted by the additional intercourse with France in consequence of the commercial treaty; an intercourse which, though probably checked and abated by the distractions now prevailing in that kingdom (French Revolution), has furnished a great additional incitement to industry and exertion.

But there is still another cause even more satisfactory than these, because it is of a still more extensive and permanent nature; that constant accumulation of capital—that continual tendency to increase, the operation of which is universally seen in a greater or less proportion wherever it is not obstructed by some public calamity, or by some mistaken or mischievous policy.

This accumulation of capital arises from the continual application of a part, at least, of the profit obtained in each year, to increase the total amount of capital to be employed in a similar manner and with continued profit in the year following. The great mass of the property of the nation is thus constantly increasing at compound interest; the progress of which, in any considerable period, is what, at first view, would appear incredible. Great as have been the effects of this cause already, they must be greater in future; for its powers are augmented in proportion as they are exerted. It acts with a velocity continually accelerated, with a force continually increased.

In 1799 an income tax was imposed. Upon the presentation of the measure, the Prime Minister laid before parliament an estimate of the incomes of the country, which might be subjected to the tax, together with the probable amount of revenue which might be derived therefrom.

Private incomes in 1799.

The estimates made by Mr. Pitt¹ are as follows:

COMPUTATION OF INCOME BY MR. PITT.

Deduction for part under \$300, which will pay nothing, and part under \$1000, which will pay an average of 1-5.

Annual Income.		Taxable Income.	
Landlords' rents, 40,000,000 cultivated acres, estimated at 12s. 6d. per acre	\$125,000,000	1-5	\$25,000,000
Tenants' rents at three-fourths	95,000,000	2-3	65,000,000
Tithes	25,000,000	1-5	5,000,000
Mines, Nav. and Timber	15,000,000		15,000,000
Houses	30,000,000	1-5	6,000,000
Rents on inhabited houses	4,500,000		
Professions	10,000,000		10,000,000
Scotland $\frac{1}{2}$ of Eng.	25,000,000		25,000,000
Incomes from possessions beyond the sea	25,000,000		25,000,000
Interest on funds, after deducting sums issued to commissioners as sinking fund and int. of capital redeemed	75,000,000	1-5	15,000,000
Profit on foreign trade, supposed 15 % on £80,000,000, capital insured	60,000,000		60,000,000
Profit on home trade at 15 %	90,000,000		148,000,000
Other trade	50,000,000		140,000,000
			<u>\$657,000,000</u>

Reduced to United States money at \$5 per pound sterling.

¹ Published in Appendix IV of An Inquiry Into the Nature and Origin of Public Wealth.

*Signifi-
cance of
these
figures.*

It should be borne in mind that the earnings of the laboring classes are not included in this estimate. Considering the fact that at this time the population of England was less than 12,000,000, and that the vast accumulation of wealth from which these incomes were derived, was made before the industrial revolution under which by the use of machinery, new inventions and processes, the power of man over nature was so greatly augmented, it discloses an industrial activity of much more magnitude than upon first notice would be appreciated by business men of the present time. It was before the age of railroad building, or of steamships. Even the iron and coal mines had not been developed to any considerable extent. None of the great sources from which vast fortunes have been acquired during the nineteenth century were then open to the English people. Their position, however, had been reached by a development of their domestic resources, manufactures and improvements in agriculture, combined with foreign trade. The benefits resulting from the Navigation Laws, which secured their commerce with foreign countries, is shown by the constant and rapid increase of their exports and imports.

*Great ex-
pansion of
foreign
trade—In-
crease of
exports and
imports
from 1697
to 1793.*

The steady expansion of foreign trade, from the adoption of the policy of protection, is disclosed by the following table taken from the official records of the English Government, from 1697, the earliest date at which an authentic account has been kept of such trade:

TOTAL EXPORTS AND IMPORTS BETWEEN GREAT BRITAIN AND ALL PARTS OF THE WORLD FROM 1697 TO 1793, INCLUSIVE.¹

Year.	Imports.	Exports.	Excess of Im- ports over Exports.	Excess of Ex- ports over Imports.
1697 Period of War	\$17,412,930	\$ 17,629,530		\$ 216,600
1698 Period of Peace	23,661,800	32,610,520		8,948,720
1699 "	28,538,345	29,686,310		1,147,965
1700 "	29,850,875	32,345,730		2,494,855
1701 "	29,348,030	34,349,325		5,001,295
1702 Period of War	20,796,520	23,986,425		3,189,905
1703 "	22,632,690	30,851,765		8,218,785
1704 "	26,916,000	30,934,715		4,018,715
1705 "	20,158,245	26,544,830		6,386,585
1706 "	20,569,665	31,254,885		10,685,220
1707 "	21,370,275	32,199,845		10,829,570
1708 "	23,493,315	32,822,115		9,328,800
1709 "	22,552,965	29,566,785		7,013,820
1710 "	20,056,705	31,476,040		11,419,335
1711 "	23,428,925	29,814,935		6,386,010
1712 "	22,273,410	34,344,200		12,070,790
1713 Period of Peace	29,055,385	34,458,705		5,403,320
1714 "	29,646,135	40,040,340		10,394,205
1715 "	28,204,715	34,611,315		6,406,600
1716 "	29,001,290	35,249,960		6,248,670
1717 "	31,733,840	39,982,935		8,249,095
1718 Period of War	33,346,950	31,806,950	\$1,540,000	
1719 "	26,837,495	34,173,580		7,336,085

¹ Published in MacGregor's Commercial Statistics Supplement, Vol. V., pp. 95-97.

TOTAL EXPORTS AND IMPORTS BETWEEN GREAT BRITAIN AND ALL
PARTS OF THE WORLD FROM 1697 TO 1793—*Continued.*

Year.	Imports.	Exports.	Excess of Imports over Exports.	Excess of Exports over Imports.
1720 Period of War	\$30,450,415	\$34,554,495		\$4,104,080
1721 "	28,842,550	36,007,475		7,164,925
1722 Period of Peace	31,980,490	41,325,425		10,434,935
1723 "	32,528,380	36,979,590		4,451,210
1724 "	36,972,025	38,003,600		1,031,675
1725 "	35,473,540	42,409,410		6,935,870
1726 "	33,389,325	38,464,200		5,074,875
1727 "	33,994,540	36,375,790		2,381,250
1728 "	37,846,495	43,536,080		5,689,585
1729 "	37,703,100	41,199,615		3,492,515
1730 "	38,900,095	42,744,910		3,944,915
1731 "	34,957,500	39,312,440		4,354,940
1732 "	35,439,570	44,353,960		8,914,390
1733 "	40,084,070	44,190,070		4,106,000
1734 "	35,479,305	41,497,015		6,017,710
1735 "	40,800,920	46,644,205		5,843,285
1736 "	36,539,830	48,512,190		11,972,360
1737 "	35,368,190	50,408,560		15,040,370
1738 "	37,194,800	50,977,715		13,782,915
1739 Period of War	39,146,865	44,218,120		5,071,255
1740 "	33,518,890	40,218,120		6,699,230
1741 "	39,680,420	47,950,430		8,170,010
1742 "	34,334,320	47,870,955		13,536,635
1743 "	39,011,765	56,551,485		17,539,720
1744 "	31,814,855	45,953,105		14,138,350
1745 "	39,235,615	45,358,930		6,123,315
1746 "	31,028,435	53,834,190		22,805,755
1747 "	35,585,785	48,876,700		13,290,915
1748 "	40,682,040	57,706,005		17,023,865
1749 Period of Peace	39,589,020	63,393,790		23,804,770
1750 "	38,860,195	63,495,400		24,635,205
1751 "	39,717,180	67,097,490		27,380,310
1752 "	39,446,845	58,474,560		19,027,715
1753 "	43,125,145	61,218,020		18,092,975
1754 Period of Peace	40,467,360	58,939,140		18,471,780
1755 "	46,191,380	35,326,215		9,134,835
1756 Period of War	42,210,135	58,603,725		15,393,590
1757 "	49,365,765	61,667,775		12,302,010
1758 "	45,370,950	63,091,670		17,720,720
1759 "	47,644,320	74,442,960		26,798,640
1760 "	53,417,975	78,905,975		25,488,000
1761 "	51,462,705	80,194,565		28,731,860
1762 "	47,895,800	72,716,680		24,820,880
1763 Period of Peace	63,844,635	77,894,715		15,050,080
1764 "	66,844,635	87,231,530		20,386,895
1765 "	59,060,720	78,819,335		19,758,615
1766 "	62,283,820	75,943,340		13,659,520
1767 "	65,485,765	75,450,005		9,964,240
1768 "	65,579,545	83,100,660		17,521,015
1769 "	65,670,450	75,006,410		9,335,860
1770 "	67,151,490	79,972,855		12,820,365
1771 "	71,041,620	95,092,400		24,050,780
1772 "	72,543,575	88,600,840		16,050,265
1773 "	62,613,215	81,877,150		19,263,935
1774 "	72,389,380	86,442,430		14,053,050
1775 Period of War	74,079,275	81,631,815		7,552,540
1776 "	62,196,145	73,778,515		11,582,370
1777 "	63,219,170	67,455,150		4,235,980

*Expansion
of foreign
trade.*

TOTAL EXPORTS AND IMPORTS BETWEEN GREAT BRITAIN AND ALL
PARTS OF THE WORLD FROM 1697 TO 1793—*Continued.*

Year.	Imports.	Exports.	Excess of Imports over Exports.	Excess of Exports over Imports.
1778 Period of War	\$54,877,660	\$61,269,475		\$6,391,915
1779 "	57,685,060	57,692,875		7,815
1780 "	54,061,200	63,243,080		9,181,880
1781 "	63,618,065	56,711,480		6,906,585
1782 "	51,709,140	65,086,950		13,373,810
1783 "	65,611,175	77,341,435		11,730,260
1784 Period of Peace	76,364,385	78,670,310		2,305,925
1785 "	81,396,995	80,588,245	\$808,750	
1786 "	78,930,360	81,529,330		2,598,970
1787 "	89,020,120	84,348,945		4,671,175
1788 "	90,135,850	87,361,240		2,774,610
1789 "	89,106,010	96,702,740		6,596,730
1790 "	95,654,430	100,600,605		4,946,175
1791 "	98,348,910	113,659,975		15,311,065
1792 "	98,296,790	124,526,000		26,229,210
1793 Period of War	96,288,585	101,950,900		15,662,315

The reader will note that from 1697 to 1793, a period of nearly one hundred years, the balance of trade was in favor of England, with the exception of two years. During this time English merchants and manufacturers sold to the people of other countries, \$1,040,316,540 of merchandise more than they purchased of them. This vast sum was drawn from foreign countries, and added to the wealth of the English people. They were constantly outstripping all rivals, both in the extent and in the nature of the trade. As manufacturing increased, the exports from their factories and workshops became greater; while the imports consisted of those raw materials and food products of other countries which England could not produce. External trade of this character is most profitable. It furnishes a constant stimulus to every branch of business and productive industry within a country, diffuses life and enterprise into all channels of trade, and results in that flourishing condition which makes a country prosperous, independent and powerful.

Prosperity of great Britain evidenced by her condition during the Napoleonic wars.

The wealth of the English people, their productive powers and resources were brought into prominence by the Napoleonic wars. The growth of agriculture, manufacturing, foreign trade and all those sources for the accumulation of capital, which had been making such progress all through the eighteenth century, gave to England upon the breaking out of the Napoleonic wars in 1793 a pre-eminence, which enabled her not only to withstand the terrible strain on the finances of the country, during the twenty years which followed, but actually to grow rich and prosperous in the midst of the unparalleled destruction of property which was constantly going on. Her productive powers at this time enabled her to meet the exigencies of the war and bear its burden better than any other country involved in the struggle. While every other nation was left

ruined, bankrupt and prostrate, England prospered and grew more powerful in the very heat of the conflict, notwithstanding the large drafts that were being made upon her energies, and the enormous debt contracted.

When the war first broke out, the English Government placed a loan among the London merchants of \$375,000,000, which was taken in less than a week. The national debt was increased by \$3,044,661,645. This vast sum was readily obtained from English capitalists. The English government not only sustained its own armies and bore its own expenses in the part taken in this struggle, but loaned \$328,507,145 to other countries between 1792 and 1815. The following is a statement of the foreign loans made to other nations in the wars against Napoleon:

Russia	\$ 48,066,740	Hesse Cassel.	\$ 6,355,535
Russo-Dutch Loan	20,694,180	German Princes	3,300,000
Portugal.	47,666,775	Sardinia	2,950,000
Germany	39,683,330	Bavaria	2,505,085
Prussia	28,349,425	Hesse Darmstadt	1,317,905
Spain	26,243,865	Prince of Orange	1,150,000
Sweden	24,227,855	France (Bourbons).	1,000,000
Austria.	21,055,555	Brunswick.	725,430
Sicily	13,672,075	Denmark	609,585
Hanover.	12,400,535	Baden	134,950
Small States	8,667,640	Morocco	81,855
Holland	7,648,825		
	\$308,376,800		¹ \$20,130,345

General conclusion—Protection the chief factor in Great Britain's economic progress.

It may be safely said, that no candid and impartial observer can examine the history of the rise and development of the commercial supremacy of England, in domestic productions and foreign trade, without arriving at the conclusion that it is due more to the policy of protection than to any other one cause. It was not until the people of England conceived the idea that they could make their own clothing and implements that the foundations were laid for that vast manufacturing system which has been the chief source of their wealth and prosperity. As long as they relied upon the Continent and the East for these articles, they made no progress. It was not until they imitated the example which had been set by the Venetians, the Dutch and the Flemish, and turned the attention of their own people to manufacturing, that their material prosperity began. They did not cease sending their wool to Flanders to have it carded, made into cloth, and returned with the value of Flemish labor added to the raw material, until Edward III. invited John Kemp with his weavers into England to set up their industry, prohibited the export of wool, and gave the woollen manufactures the protection of the government. By a system of protective tariffs the people of England were turned to a study of the arts and mysteries of manufacturing and to a cultivation of a taste for a high degree of perfection in industrial pursuits.

¹ The Condition of Nations, by G. Fr. Kolb, p. 64.

*England's
commercial
policy.*

When we put side by side the statement quoted from the Prime Minister in the latter part of the eighteenth century, and the report of Sir Walter Raleigh in 1604, a most striking contrast is presented. It is absolutely certain that this change could not have been wrought under free trade. It was only by the aid of, and interference of, the English Government in favor of its own people, that they were enabled to forge their way to the front and establish their commercial supremacy.

Had it not been for this policy the Dutch would have continued to monopolize the fisheries and foreign trade. They would have stepped in and not only controlled the trade of the New World, but by underselling and harassing English manufactures at home, strangled every new industry and defeated every attempt at building up manufacturing in England herself. Without the support of the naval power of the government not one of the trading companies could have maintained its existence. Had not England become the seat of manufactures and protected her artisans, the Dutch and Huguenot refugees would undoubtedly have gone to Germany, as many of them did. The growth of foreign trade dates from the passage of the Navigation Laws. And yet the wares produced in English factories formed a basis for that vast volume of foreign exchanges without which there would have been but little use for ships, and no foundation upon which to build her commerce. The most valuable part of the whole field of English enterprise was the domestic industries.

We may trace the history of England from the earliest times to the close of the eighteenth century, and with the exception of the cotton manufactures, which came in under the invention of machinery, and of those industries which enjoy natural protection, we shall not find a manufacturing industry which does not owe its existence to protection. The same may be said of their shipping and fisheries. This policy has raised England from a most insignificant position to the first place among the nations of Christendom. It found her monarchs pawning their crown jewels to foreigners to raise a small sum of money, and left her the lender of millions to the nations of Continental Europe. Before protection was adopted, misery and distress prevailed everywhere among the masses, the land was overrun with beggars and able-bodied tramps unable to find employment, and in fact with no industries in which work could be had, and no means for the relief of their destitution, excepting public charity. The policy of protection converted England into the workshop of the world, and by increasing the independence of the people made their emancipation from tyrannical forms of government and unjust laws possible.

CHAPTER II.

GROWTH OF INDUSTRIES FROM 1800 TO 1860.

Since the adoption of free trade in 1846, the Manchester School has attempted, by every means possible, to bring the policy of protection into disrepute by creating an erroneous impression of the influence it exerted upon English industries. They have endeavored to show that the manufactures of Great Britain so languished and declined under protection, that free trade was resorted to as a relief from a policy which was a blight upon the business interests of the country. An impression to this effect has become quite prevalent in the minds of those who have given credit to such statements, without making an investigation of the actual facts. The causes which, from the close of the Napoleonic wars to 1850, contributed to restrict the unlimited expansion of the external trade of the country will be pointed out in subsequent chapters. The absolute monopoly of foreign markets, which fell into the hands of the British manufacturers at the close of the Napoleonic wars, could be maintained only by keeping open the best markets in the world to the admission of their goods. The adoption of protective tariffs by the United States and Continental countries prevented this from occurring.

Growth of industries.

While the rise of industries in these countries interfered with the extension of British trade, South America, Asia and Turkey still remained open, and gave the British manufacturer an undisputed market of vast importance. At the same time, even the United States and the Continent were compelled for a long time to depend upon Great Britain for a large variety of manufactures. It was not until about 1865 that the Continental countries had so far adopted the use of machinery that they began to be independent of her. A steady expansion of British industries is found to have taken place from 1815 to 1874. The protective period terminated in 1846, and the free trade period extends from this date to the present time. During the first three-quarters of this century the British manufacturers held not only an almost exclusive monopoly in neutral markets, but in certain branches of production in a large measure controlled the trade of all countries.

For the purpose of refuting the reflections which have been cast on the policy of protection in its practical working up to 1846, a brief review

of the progress of English industry during the closing years of the protective period becomes important.

TABLE NO. 1.

Population. Showing Growth of Population in the United Kingdom and Principal Manufacturing Cities During the Census Years from 1801 to 1861. Compiled from Reports of the Census.

	1801.	1811.	1821.	1831.	1841.	1851.	1861.
England		9,553,021	11,281,883	13,090,523	14,997,427	16,921,888	18,954,444
Wales		611,233	718,353	806,274	911,705	1,005,721	1,111,780
Scotland		1,805,864	2,091,521	2,364,386	2,620,184	2,888,742	3,062,294
Total Great Britain ¹	10,880,000	12,610,620	14,500,565	16,532,410	18,846,825	21,169,951	23,271,965
Ireland	5,216,000	5,957,000	6,801,827	7,767,401	8,175,124	6,551,970	5,798,967
United Kingdom	15,717,000	17,927,000	21,302,392	24,319,811	27,021,949	27,721,921	29,070,932
<i>Growth of the Principal Manufacturing Cities :</i>							
London	958,863	1,138,815	1,378,947	1,654,994	1,948,417	2,362,236	2,327,117
Manchester and Salford	94,876	115,874	163,635	237,832	311,009	401,321	460,428
Liverpool	82,295	104,104	138,354	201,751	286,487	375,955	493,938
Birmingham	70,670	82,753	101,722	143,986	182,922	232,841	296,076
Leeds	53,162	62,534	83,796	123,393	152,074	172,270	207,165
Bristol	61,153	71,433	85,108	104,408	125,146	137,328	154,093
Sheffield	45,755	53,231	65,275	91,692	111,091	135,310	185,172
Wolver Hampton	30,584	43,190	53,011	67,514	93,245	119,748	147,670
Bradford	13,264	16,012	26,307	43,527	66,715	103,778	166,218
Plymouth and Devonport	39,787	50,886	55,169	65,963	70,340	90,401	127,382
New Castle-on-Tyne	33,048	32,573	41,794	53,613	70,337	87,784	109,108
Hull	29,580	37,005	44,520	43,510	67,308	84,690	97,661

By an examination of Table No. 1, it will be found that a great increase in the number of inhabitants of the United Kingdom and of the principal manufacturing cities occurred during this period. The population of Great Britain (England, Scotland and Wales), increased from 10,880,000 in 1801 to 18,846,825 in 1841, being 72 per cent. Taking the periods of twenty years before and twenty years after 1841, the growth of population was as follows: From 1821 to 1841, 29.9 per cent; from 1841 to 1861, 23.4 per cent. While the population of Ireland increased 56 per cent during the forty years preceding 1841, and 20 per cent during the twenty years preceding 1841, it declined 29 per cent, or from 8,175,124 in 1841, to 5,798,967 in 1861. This was caused, in part, by the exodus which took place as the agricultural interests of the country were being undermined and destroyed by the excessive imports, under free trade, of the farm produce of other countries. The population of the United Kingdom increased 71.9 per cent between 1801 and 1841. While it increased 26.7 per cent, or from 21,302,392 in 1821 to 27,021,949 in 1841, it only increased 7.5 per cent, or to 29,070,932, between 1841 and 1861. This decline was, of course, caused in part by the decrease in Ireland.

Excluding from consideration the decline in Ireland, there is nothing in the increase of the number of inhabitants between 1841 and 1861 to

¹ Includes army, navy and isles in British sea.

show that any material impetus was given to the country by the adoption of free trade. The growth of the nation following the adoption of free trade is dwelt upon by the free traders in order to create an impression that the change of policy revolutionized affairs and set the country going at a marvelous pace.

The growth of the principal manufacturing cities during the last years of the protective policy is very significant. Their increase in population was in general greater between 1821 and 1841 than between 1841 and 1861, as is shown by the following table, taken from the census report of the United Kingdom. The most extraordinary growth of these cities during both periods referred to compares favorably with that of the cities of the United States. Their expansion was not due to any shifting of industries or to causes other than a natural growth brought about by the increase of factories and the general advancement of industrial and commercial interests.

Increase of population in the cities.

THE INCREASE IN POPULATION OF THE CHIEF INDUSTRIAL CITIES OF ENGLAND, AS SHOWN BY PERCENTAGES, IS AS FOLLOWS:

London	increased between 1821 and 1841, 41%; between 1841 and 1861, 19%					
Manchester and Salford	"	"	1821	"	1841, 90%;	" 1841 " 1861, 48%
Liverpool	"	"	1821	"	1841, 107%;	" 1841 " 1861, 72%
Birmingham	"	"	1821	"	1841, 79%;	" 1841 " 1861, 61%
Leeds	"	"	1821	"	1841, 81%;	" 1841 " 1861, 36%
Bristol	"	"	1821	"	1841, 47%;	" 1841 " 1861, 23%
Sheffield	"	"	1821	"	1841, 70%;	" 1841 " 1861, 66%
Wolverhampton	"	"	1821	"	1841, 75%;	" 1841 " 1861, 58%
Bradford	"	"	1821	"	1841, 153%;	" 1841 " 1861, 59%
Plymouth and Devonport	"	"	1821	"	1841, 27%;	" 1841 " 1861, 81%
New Castle-on-Tyne	"	"	1821	"	1841, 60%;	" 1841 " 1861, 62%
Hull	"	"	1821	"	1841, 48%;	" 1841 " 1861, 45%

The development of all of the resources of the country under protection had preserved a division of occupations, and such a diversity of pursuits, that the whole industrial life of the people was well rounded out and balanced.

The census of 1841 shows that, in their occupations, the people were divided as follows:

Division of the population according to occupations.

ENGLAND AND WALES.		1831.	1841.
Employed in agriculture, ...		31.69	25.65
" " trade, manufacture, etc., ...		39.11	43.08
" otherwise, ...		29.20	31.27
		100.	100.
SCOTLAND.			
Employed in agriculture, ...		30.40	27.88
" " trade, etc., ...		43.00	46.60
" otherwise, ...		26.60	25.52
		100.	100.

GREAT BRITAIN.		1831.	1841.
Employed in agriculture, ...		31.51	25.93
“ “ trade, etc., ...		39.65	43.53
“ otherwise, ...		28.84	30.54
		100.	100. ¹

IRELAND.

The proportionate number of families engaged in the principal divisions of occupations in Ireland, in 1831 and 1841, were as follows:

	1831.	1841.
Agriculture, ...	65.7	66.2
Trade and manufactures, ...	17.4	23.9
Other classes, ...	16.9	9.9
	100.	100. ²

In 1841 the great textile industries of the country furnished employment to 1,465,485, as follows:

GREAT BRITAIN.

Cotton, ...	377,662
Hose, ...	50,955
Lace, ...	35,346
Wool and worsted, ...	167,296
Silk, ...	83,773
Flax and linen, ...	85,213
Total, ...	800,246

Of the above,

England and Wales, ...	618,508
Scotland, ...	181,738

IRELAND.

Cotton, ...	6,415
Lace, ...	655
Wool and worsted, ...	77,746
Silk, ...	770
Flax and linen, ...	138,609
Fabrics not specified, ...	441,044
Total, ...	665,239

A material increase of the number of artisans employed in the United Kingdom occurred between 1841 and 1847, at the very period when the repeal of the Corn Laws was being urged, and at a time when the free traders now claim there was great distress in their industries.

¹ Porter's Progress of the Nation, p. 54.

² Id., p. 73.

During the eight years between 1839 and 1847, there was an increase of 121,240 hands, or 28.62 per cent, as follows :

England and Wales, ...	105,588, or 30.21 per cent
Scotland, ...	7,931, or 13.37 per cent
Ireland, ...	7,721, or 51.92 per cent
Total, ...	121,240

Divided between the five branches of manufacture, as follows :

Cotton, ...	56,942, or 21.95 per cent
Woolen, ...	18,588, or 45.27 per cent
Worsted, ...	20,550, or 45.27 per cent
Flax, ...	14,771, or 33.96 per cent
Silk, ...	10,389, or 30.27 per cent
Total, ...	121,240

The above is confined to those factories under the supervision of the government inspectors, which did not include all those employed in these branches of production.

The situation of the farming interests of England was entirely different from that of any other industry. Notwithstanding the extent of their foreign trade and the growth of their manufacturing and mining, it had been for centuries the chief means of subsistence of the English people. From the time of Elizabeth it received the patronage and encouragement of the government, and its importance as a chief means of employment and support for the people had been appreciated. There is, perhaps, no country in the world possessed of a stronger and better soil and climate, suited to the growth of wheat, oats, barley, rye, potatoes and the coarser vegetables. The numerous springs, streams and pastures of England especially adapted the country to the rearing of cattle, sheep and swine. For centuries it had been the chief wool-producing country in Europe, yet the purchase of wool from Australia and the Continent had been made necessary by the vast expansion of the woollen manufactures which was then going on. The growth of agriculture up to 1846 had practically kept pace with the marvelous increase in population. If it had not been for the failure of the harvests in three or four seasons, up to this time the United Kingdom would have imported only a small quantity of wheat. There was, however, a radical difference between absolute free trade, which was sure to annihilate this important industry, and that degree of protection which would have shielded English farmers against ruinous competition and preserved intact this vast field of employment and great source of wealth and profit, which for centuries had made them independent of foreign countries.

Agriculture.

With a constantly increasing population, it is surprising to see how insignificant the importation of wheat in comparison with the home supply must have been. Mr. Porter says upon this point:

*Wheat im-
portation.*

In the ten years from 1801 to 1810 the average import of wheat into the kingdom amounted to 600,946 quarters; and as the mean number of the population during that period was 17,442,911 souls, this quantity would afford a very small fraction above a peck for the annual consumption of each person. The average importation in the ten years between 1811 and 1820 was 458,578 quarters; and as the mean number of the population had in that period advanced to 19,870,589, that number of quarters would afford each person one gallon and a half toward the year's consumption. In the third period, between 1821 and 1830, the average annual importation advanced to 534,992 quarters; but the population had advanced in an equal proportion, so that the annual share of each person in the foreign supply remained the same (one gallon and a half) as last stated. The average amount of importation in the ten years from 1831 to 1840 rose to 907,638 quarters, and, the mean number of the consumers in this period having been 25,601,119, the importations, if fairly divided among them, would have given annually to each about two and one-quarter gallons.

In each of the three periods of ten years into which the foregoing statement has been divided, up to 1830, there were two years of large importation, arising from deficient harvests, and in the last decennary period there occurred four years of this character. If those years were excluded from the calculation, the average importations would, of course, be materially lessened.

During the last nine years of the series, viz., from 1841 to 1849, the average quantity of foreign and colonial wheat and wheat flour taken for home use advanced to 2,588,706 quarters per annum, which quantity, divided equally among the increased number of consumers, would afford nearly six gallons per annum for each person.

It will be fresh in the memory of most persons that, in addition to several years of somewhat deficient harvests, we have, during the period included in these nine years, been visited by one of the severest calamities arising from the influence of seasons which it has been our misfortune ever to encounter. The famine caused in Ireland by the destruction of the potato crop in 1847 will long be remembered with feelings of horror by all who were by any circumstances brought to a personal knowledge of its effect, and will ever remain as a dark page in our history. During its continuance food of various kinds was sought in every market open to us, the laws regulating its importation were suspended, and our navigation law was placed in partial abeyance. It must be clear that under such circumstances it would be idle to attempt to draw any fair comparison between this and other periods.

*The home
market
almost
wholly sup-
plied by
home pro-
duction.*

The foregoing calculations show in how small a degree this country has hitherto been dependent upon foreigners in ordinary seasons for a due supply of our staple articles of food. It is not, however, with this view that those calculations are brought forward, but rather to prove how exceedingly great the increase of agricultural production must have been to have thus effectively kept in a state of independence a population which has increased with so great a degree of rapidity. To show this fact, the one article of wheat has been selected, because it is that which is most generally consumed in England; but the position advanced would be found to hold equally good were we to go through the whole list of the consumable products of the earth. The supply of meat, during the years comprised in the inquiry, has certainly kept pace with the growth of population; and, as regards this portion of human food, our home agriculturists during the largest portion of the whole period enjoy a strict monopoly.¹

Mr. Porter continues his computations, showing that between 1801 and 1810, out of a population of 11,769,725 persons, 11,168,779 were fed

¹ Progress of the Nation, p. 140.

with home-grown wheat, at the rate of eight bushels per annum ; that the increase of home production continued as the population increased ; that between 1821 and 1830, out of a population of 15,465,474, 14,930,482 persons were fed on wheat grown in England. During the next ten years, ending with 1840, the home-grown wheat was sufficient for 16,628,188 persons out of a population of 17,535,826. He shows further that between 1841 and 1849 only 375,930 persons were fed on imported wheat. What cause was there for complaint, under these circumstances, against the agriculturists? It had been demonstrated during all the years that had preceded that the farmers of England were able to supply their own home market. Comparing this statement with the speech of Lord Derby, quoted later, upon the prices which prevailed during this period, it will appear that the conditions under which the Manchester manufacturers entered upon their raid against the farmers presented no occasion for alarm. It is apparent that it was simply a movement on the part of those interested in one industry to strike down another for their own profit and advantage.

The greatest expansion and most remarkable growth is found in the cotton industry. This is due to many causes apart from any consideration of protection or free trade. The use of machinery really brought the trade into existence, and its development was rapid. The invention of the cotton-gin, power-loom, spinning-jenny, and discoveries in bleaching and dyeing, made it possible to produce a fabric which could be sold at a very low price. As an article of clothing it was specially adapted to the warmer climates to which the English manufacturers had extended their markets. Even in Europe and in temperate regions it was substituted, to a large extent, for woollens. By 1845 the exports of cotton goods and yarns had reached the sum of \$130,596,655, while the amount consumed at home was valued at two-fifths of that exported, or \$52,238,662—a total production of over \$182,000,000. There were then spun in the cotton factories of England 554,196,602 pounds of raw cotton. Mr. McCulloch says that at this time the industry gave subsistence to from 1,000,000 to 1,200,000 persons. To the persons directly employed there were \$65,000,000 paid in wages. In 1847 Mr. McCulloch estimated the items which entered into the industry as follows :

*Industries
—Cotton.*

Value of total products, ...	\$180,000,000
Raw materials, ...	\$50,000,000
Wages paid weavers, spinners, etc., ...	65,000,000
Wages paid 80,000 engineers, machine-makers, smiths, masons, joiners, etc., ...	20,000,000
Profits of manufacturers, wages of superintend- ence, the materials of machinery, coal, etc., ...	45,000,000
Capital invested in spinning-mills, power and hand-loom, workshops, warehouses, stock on hand, etc., ...	175,000,000

TABLE NO. 2.

Account of the Total Quantities of Raw Cotton Imported and Retained for Home Consumption and the Declared Value and Quantities of British Cotton Manufactured Goods, Twist and Yarn Exported from the United Kingdom in Each Year, from 1820 to 1859, both inclusive.

[From McCulloch's Com. Dict., Edition of 1870, pp. 462 and 468.]

YEARS.	RAW COTTON IM- PORTS FOR HOME CON- SUMPTION.	COTTON MANUFACTURES.				COTTON TWIST AND YARN.		TOTAL DECLARED VALUE OF COTTON MANUFAC- TURES, TWIST AND YARN EX- PORTED.
		Entered by Yard.		Hosiery, Lace and Small Wares.	Declared Value.	Quantities.	Declared Value.	
		Quantities.	Declared Value.					
		Pounds.	Yards.	Dollars.	Dollars.	Pounds.	Dollars.		Dollars.
1820	145,648,617	250,956,541	66,045,000	2,490,555	23,032,325	14,133,215	82,668,770	
1821	117,947,123	266,495,901	65,964,520	3,119,015	21,526,369	11,529,150	80,612,685	
1822	124,559,852	304,479,691	69,269,770	3,638,560	26,595,468	13,487,950	86,395,280	
1823	182,084,101	301,816,254	64,993,220	3,590,620	27,378,986	13,129,735	81,623,575	
1824	136,080,617	344,651,133	72,241,275	4,334,430	33,605,510	15,676,980	92,252,685	
1825	210,000,338	336,466,698	71,165,050	4,603,360	32,641,604	16,033,645	91,799,995	
1826	153,132,401	267,066,534	49,333,115	3,678,955	42,179,661	17,457,690	70,468,760	
1827	254,314,739	365,492,804	64,740,175	5,734,940	44,878,074	17,727,890	88,203,005	
1828	210,363,866	363,328,431	62,416,245	5,833,815	50,595,751	17,977,025	86,222,085	
1829	192,478,296	402,517,196	62,581,235	5,209,425	61,441,251	19,884,370	87,675,030	
1830	255,426,476	444,578,498	70,598,850	5,875,765	64,645,342	20,668,705	97,143,320	
1831	266,366,298	421,385,303	60,817,565	5,993,360	65,821,440	19,875,095	86,286,020	
1832	268,804,285	461,045,503	57,593,150	5,875,015	75,667,150	23,613,795	86,991,960	
1833	286,292,955	496,352,096	62,255,300	6,655,585	79,626,161	23,520,120	92,432,005	
1834	302,935,657	555,795,809	70,636,760	5,876,095	76,478,468	26,055,075	102,507,930	
1835	326,407,692	557,515,701	75,997,155	6,201,420	86,214,198	28,532,945	110,641,520	
1836	363,684,232	637,667,627	85,915,835	7,642,625	88,191,046	30,601,830	123,160,290	
1837	368,445,035	633,639,945	7,460,960	103,455,138	34,779,710	102,980,615		
1838	455,036,755	690,077,622	77,773,665	5,805,620	114,596,602	37,159,345	120,738,630	
1839	352,000,277	731,450,123	81,892,225	5,686,685	105,686,442	34,290,965	122,751,875	
1840	528,142,743	790,631,997	81,511,100	6,325,450	118,470,223	35,506,540	123,343,240	
1841	437,093,631	751,125,624	74,929,050	6,233,500	123,226,519	36,334,840	117,497,390	
1842	531,759,086	734,098,809	64,436,100	5,103,320	137,466,892	38,857,320	108,395,240	
1843	581,393,105	918,610,205	75,842,320	5,427,680	140,321,176	35,979,855	117,439,855	
1844	646,111,304	1,046,670,823	88,060,730	6,023,090	138,510,079	34,942,920	129,026,740	
1845	554,196,602	1,091,686,069	90,149,040	5,631,440	135,144,865	34,826,175	130,596,655	
1846	606,6 0,000	1,065,460,589	83,568,160	5,080,730	161,892,750	39,410,240	127,999,130	
1847	617,300,000	942,540,160	81,035,515	5,846,705	120,270,741	29,789,900	116,666,105	
1848	441,400,000	1,096,751,823	78,554,285	5,212,560	135,831,162	29,639,155	113,406,000	
1849	576,600,000	1,337,536,116	93,974,820	6,380,410	149,502,281	33,520,445	133,875,675	
1850	629,900,000	1,358,182,941	102,652,175	7,676,310	131,370,368	31,928,520	141,287,005	
1851	588,200,000	1,513,161,789	110,246,010	6,028,040	131,587,577	33,170,130	150,444,180	
1852	658,900,000	1,524,256,914	108,242,290	7,874,770	129,385,924	33,273,275	149,390,435	
1853	739,600,000	1,594,591,659	119,509,550	9,976,545	129,190,507	34,028,265	163,964,510	
1854	760,900,000	1,692,899,122	117,407,530	7,875,110	147,128,498	33,456,650	158,729,290	
1855	776,100,000	1,937,734,025	130,617,385	7,276,310	165,493,598	36,001,975	158,895,795	
1856	839,100,000	2,035,274,969	142,607,795	9,410,035	181,495,805	40,141,875	191,163,705	
1857	891,400,000	1,979,270,780	143,933,230	7,930,925	176,821,338	43,802,945	195,367,100	
1858	826,000,000	2,324,139,085	160,210,570	6,898,645	200,016,002	47,897,395	215,006,610	
1859	905,600,000	2,562,545,476	185,192,690	8,227,875	192,206,643	47,299,560	241,011,125	
1860		2,776,218,427	201,731,710	8,975,815	197,343,655	49,354,375	260,061,900	

The magnitude of the cotton industry in 1845 formed the principal basis of the free trade movement. The ability of the Manchester manufacturers to undersell all rivals, and as they believed, to hold the advantage which they then possessed, not only induced them to abandon all protective

legislation affecting their industry, but made the removal of protective tariffs in other countries, and the opening of all foreign markets to the free sale of their fabrics, of the greatest benefit to them.

It is absurd to contend that the revolt of the cotton manufacturers against protection, was in any way caused by the protective tariff laws which were on the statute books of England. The industry had been built up and reached most marvelous proportions, while England was practicing a vigorous policy of protection. Its expansion from 1820 to 1846 was marvelous.

The growth of this industry is set forth in Table No. 2, from which the reader can ascertain its development during the period in question. An analysis of this table by percentages, discloses the following increase in its various departments, during fourteen years before and fourteen years after the adoption of free trade :

*Growth of
the cotton
industry.*

	1831 to 1845.	1845 to 1859.
Raw materials consumed increased	108 per cent.	63 per cent.
Fabrics exported increased by yards	159 per cent.	134 per cent.
Fabrics exported, declared value increased	48 per cent.	105 per cent.
Hosiery and small wares, declared value	6 per cent.	51 per cent.
Twist and yarn increased in pounds	105 per cent.	42 per cent.
Twist and yarn increased by declared value	75 per cent.	35 per cent.
Total exports increased by declared value	51 per cent.	84 per cent.

During the first years upon which the computation is based there was a steady decline in values, the most marked in the history of the industry ; while from 1849 to 1859 there was an advance in prices.

The decline in values from 1820 to 1849 is stated by Mr. Porter as follows :

While the number of yards exported in 1849 is greater by 430 per cent than the number exported in 1820, the increase in the declared value is only 42 per cent; the average price per yard, which in 1820 was 12¼*d.*, having fallen in 1849 to 3 2-5*d.* The quantity of twist exported has increased during the same period, in the proportion of 6 to 1, while the increase in the declared value, is only in the proportion of about 5 to 2. The average price of twist in 1820 was 2*s.* 5½*d.*, and in 1849 was a little more than 10¼*d.* per pound.¹

The early use of textile machinery by English manufacturers in advance of other countries, gave them a decided advantage over all rivals. The English people having become the great inventors of this class of machinery were enabled, by prohibiting its export and imposing severe penalties on the emigration of skilled artisans, to hold in large measure the advantages which such improvements secured. Had the old method of workmanship been continued in competition with Continental rivals, the necessity of continuing protective duties on cotton fabrics would undoubtedly have been conceded by English manufacturers and no amount of sophistry could have induced them to expose their industries to a ruinous competition at home. It is not the purpose here to discuss this branch

¹ Progress of the Nation, p. 179.

of the question. The conditions under which the industry was carried on, its continuous growth and development up to 1846, when placed in comparison with the growth which followed the adoption of free trade is important because it completely annihilates the arguments which in recent years have been so frequently resorted to by the advocates of free trade to prove that the industries of England languished under protection.

The policy of protection so early adopted and so long continued, gave domestic producers absolute security in the home market, and incited them to most vigorous action in every department of production. They at once conceived the idea of bringing the raw cotton of the world to their factories and by utilizing their fuel, steam-power, machinery and labor to monopolize the trade. The policy which protected and encouraged their own people and intrenched them in foreign markets, was so successful, that in 1846 they were masters of the situation and could defy all competitions. Only by long years of development could any rival appear with strength sufficient to destroy or weaken their supremacy.

Woolen industries.

As has already been pointed out, the rearing of sheep and the making of woolen cloths, were for centuries the chief industries of the English people. The cheapening of cotton fabrics under the new inventions introduced a rival to the woolens, which somewhat checked their production; yet for a long time it held the first place, and always continued second in importance among the textile industries. As early as 1825 it had become so extensive that the manufacturers could no longer rely upon domestic wool for their supply. The exportation of home-grown wool had been prohibited up to 1825, in order to encourage sheep raising in England, and to secure to the British manufacturer the fine grades of wool produced at home.

Between 1820 and 1844, immediately preceding the adoption of free trade, there was not only a great increase in the amount, but a marked improvement in the quality of fine woolen cloths. Mr. Porter said, that they had become "in every respect equal to the fabrics of France." This is indicated by the increase in their exports during this time, which by the piece averaged in each year as follows:

Between 1820 and 1824, 1,064,441 pieces.

Between 1830 and 1834, 1,505,993 pieces.

Between 1835 and 1839, 1,429,057 pieces.

Between 1840 and 1844, 2,128,212 pieces.

An increase of over 100 per cent.

The increase in factories and in hands employed between 1835 and 1839, was as follows:

In factories built, 10 per cent.

In hands employed, 20 per cent.

The growth in population of the West Riding of Yorkshire, the principal seat of the woolen manufacture, between 1801 and 1841, was

from 563,953 to 1,154,101, or 104 per cent. The town of Dewsbury, in which carpets are made, increased in population between 1801 and 1841 from 11,752 to 23,806, or 102 per cent.

The steady growth of the woollen industry from the close of the Napoleonic wars up to 1860 may be briefly pointed out.

The number of sheep increased from 19,000,000 in 1800, to 25,343,000 in 1825. The increase in the consumption of wool from 1800 to 1845 was as follows:

1800.

Domestic wool consumed, ... 94,376,640 pounds.
Imported, ... 8,609,368 pounds.

1845.

Domestic wool consumed, ... 145,724,880 pounds.
Imported, ... 76,813,855 pounds.
Thus showing an increase of over 115 per cent.

TABLE No. 3.

Statement of the Quantity of Imports of Wool into, and the Declared Value of the Exports of Domestic Woollen and Worsted Manufactures from, the United Kingdom, in each year from 1820 to 1859.

[Compiled from Sessional Papers of the British Parliament by Erastus Bigelow.—The Tariff Question, pp. 99 and 100.]

IMPORTS OF RAW WOOL.				EXPORTS OF WOOLEN AND WORSTED MANUFACTURES.			
From 1820 to 1840.		From 1840 to 1860.		From 1820 to 1840.		From 1840 to 1860	
	Lbs.		Lbs.				
1820	9,794,620	1840	49,436,284	1820	\$27,917,150	1840	\$28,904,050
1821	16,632,028	1841	56,170,974	1821	32,307,835	1841	31,504,105
1822	19,072,364	1842	45,881,639	1822	32,423,640	1842	29,111,755
1823	19,378,249	1843	49,243,093	1823	28,158,295	1843	37,665,600
1824	22,572,617	1844	65,713,761	1824	30,226,190	1844	45,815,265
1825	43,837,961	1845	76,813,855	1825	31,000,510	1845	43,800,215
1826	15,996,425	1846	65,255,462	1826	24,948,265	1846	36,216,865
1827	29,115,341	1847	62,592,598	1827	26,417,895	1847	39,487,010
1828	30,236,059	1848	70,864,847	1828	25,629,915	1848	32,554,015
1829	21,516,649	1849	76,768,647	1829	23,306,290	1849	42,164,730
1830	32,305,314	1850	74,326,778	1830	24,254,220	1850	50,201,660
1831	31,652,029	1851	83,311,975	1831	26,948,445	1851	49,308,635
1832	28,128,973	1852	93,761,458	1832	27,399,325	1852	50,779,170
1833	38,046,087	1853	119,396,449	1833	32,703,180	1853	58,144,840
1834	46,455,232	1854	106,121,995	1834	29,877,065	1854	53,391,855
1835	42,174,532	1855	99,300,446	1835	35,748,010	1855	48,722,345
1836	64,239,977	1856	116,211,392	1836	39,990,220	1856	61,950,350
1837	48,379,708	1857	129,749,898	1837	24,965,585	1857	68,225,875
1838	52,594,355	1858	126,738,723	1838	30,898,025	1858	63,719,335
1839	57,379,923	1859	133,284,634	1839	33,474,825	1859	75,688,845

CONSUMPTION IN 1854.

Domestic wool consumed, ... 200,000,000 pounds.

Imported, ... 106,000,000 pounds.

Imports of wool from Australia began about this time. In 1833 they had reached only 3,516,869 pounds, while by 1845 they had grown to 24,177,317 pounds.

In 1851 of the imports of 81,000,000 pounds, 51,993,000 pounds were the production of British possessions outside of Europe. Of this amount 40,000,000 pounds came from Australia.

*Increase
of exports
of woolen
goods.*

Table No. 3, exhibiting the total exports of woolen manufactures from 1820 to 1859, making an allowance for the decline in prices occurring between 1820 and 1830, shows a steady and continuous increase. Taking a period of fourteen years before, and fourteen after, the adoption of free trade, we have the following results :

Exports increased, 62.5 per cent between 1831 and 1845.

Exports increased, 72.8 per cent between 1845 and 1859.

Further facts in reference to this important industry will be given below under a consideration of textile industries.

*Linen
industry.*

The linen industry gained a foothold in Ireland and Scotland before it was taken up extensively by the English people. Under the fostering care of protective legislation, it had steadily increased during the period in question. The quantity of raw flax and tow consumed, both imported and home grown, greatly increased. The importation of linen yarn decreased from 1827 to 1844, from 4,000,000 pounds to 1,000,000 pounds, and the English people ceased purchasing these yarns from other countries and began their exportation. The shipments of yarn to France alone, increased from 76,512 pounds, in 1833, to 22,202,293 pounds in 1842. This indicates the development which was going on in France at that time. The exportation of linen fabrics, as appears from Table No. 4, increased from \$12,308,115, in 1831, to \$20,484,680, in 1845, an increase of 66.4 per cent. This was the period of protection, while the increase during the next fourteen years was 53.2 per cent, the exports reaching \$31,395,945. The importation of flax increased 51 per cent. between 1831 and 1845, while between 1845 and 1859 it increased but .9 per cent. This decline in imports was caused largely by the fact that the farmers of England turned their attention, under the advice of free traders, to the cultivation of the fibre, as the importation of agricultural products began to destroy their other industries. The experiment was, however, short-lived, because the English manufacturer began purchasing this raw material so extensively in foreign parts, that the advice of free traders again proved an utter failure. Those industries in which jute and hemp form the raw materials have been more largely developed since 1860.

TABLE No. 4.

Statement of the Quantity of Imports of Flax and Tow into, and the Declared Value of the Exports of Domestic Linen Manufactures from, the United Kingdom in Each Year, from 1820 to 1859.

[Compiled from Sessional Papers of the British Parliament by Erastus Bigelow.—The Tariff Question, pp. 96 and 100.]

IMPORTS OF FLAX AND TOW.				EXPORTS OF LINEN MANUFACTURES.			
From 1831 to 1840.		From 1840 to 1860.		From 1820 to 1840.		From 1840 to 1860.	
	Lbs.		Lbs.				
1820		1840	140,362,880	1820	\$9,483,665	1840	\$20,644,820
1821		1841	150,846,416	1821	11,061,825	1841	21,600,105
1822		1842	128,325,008	1822	11,865,680	1842	16,885,245
1823		1843	160,960,800	1823	11,355,100	1843	18,510,265
1824		1844	177,351,328	1824	13,091,490	1844	20,377,375
1825		1845	158,852,176	1825	11,536,430	1845	20,484,680
1826		1846	128,474,304	1826	8,281,765	1846	18,531,065
1827		1847	117,833,968	1827	10,652,740	1847	18,043,720
1828		1848	163,930,032	1828	10,945,595	1848	16,481,190
1829		1849	202,347,376	1829	9,441,190	1849	21,129,475
1830		1850	204,166,816	1830	10,308,410	1850	24,143,465
1831	104,878,032	1851	133,748,608	1831	12,308,115	1851	25,294,110
1832	110,041,792	1852	157,775,968	1832	8,917,150	1852	26,861,755
1833	126,518,896	1853	210,937,888	1833	11,195,140	1853	29,567,045
1834	90,912,864	1854	145,962,320	1834	12,898,280	1854	25,264,795
1835	82,971,168	1855	144,864,720	1835	16,043,890	1855	25,274,970
1836	171,260,992	1856	188,948,592	1836	18,225,485	1856	31,268,800
1837	112,096,880	1857	209,020,000	1837	13,065,255	1857	30,824,165
1838	182,142,912	1858	143,797,360	1838	17,832,170	1858	29,353,480
1839	137,054,512	1859	160,388,144	1839	21,167,255	1859	31,395,945

From the earliest introduction of silk manufactures, the English people labored under disadvantages as compared with the people of the Continent. Compelled to import the raw material, and deficient in that high degree of skill which early made French artisans famous, they could not successfully compete with those rivals. Protective regulations, however, compensated for the disadvantages under which they labored. The prohibition of imports left the English manufacturer with a monopoly of the home market, subject only to the competition of the smuggler. During the Napoleonic wars, the necessity for revenue was so great that the principles of protection were ignored, and high duties imposed on raw materials. In 1826 the duties on raw silk were greatly reduced and the fabrics were permitted to be imported upon the payment of a duty equivalent to 30 per cent, ad valorem, which afforded ample protection to the home producer. In 1845 the small amount of duty remaining on raw material was removed, and the ad valorem duty of 30 per cent on the finished fabrics reduced to 15 per cent. Protection to this industry was continued until 1860, when by the reciprocity treaty with France the duties were removed and it was brought within the policy of free trade and exposed to the competition of the Continent. Later the attention of the

*Silk
industry.*

reader will be called to the disastrous consequences of this change. Here it is only necessary to point out the growth of the industry under the influence of protection. The exportation of the manufactured articles increased from \$2,605,560 in 1830 to \$11,768,060, in 1859. Enough, however, appears from Table No. 5, to show the magnitude and growth of the industry up to 1859.

TABLE No. 5.

Statement of the Quantity of Imports of Raw Silk into, and the Declared Value of the Exports of Domestic Silk Manufactures from, the United Kingdom, in Each Year from 1820 to 1859.

[Compiled from Sessional Papers of the British Parliament by Erastus Bigelow.—The Tariff Question, pp. 97 and 100.]

IMPORTS OF RAW SILK.				EXPORTS OF SILK MANUFACTURES.			
From 1820 to 1840.		From 1840 to 1860.		From 1820 to 1840.		From 1840 to 1860.	
	Lbs.		Lbs.				
1820	2,641,866	1840	4,748,836	1820	\$1,855,565	1840	\$3,963,240
1821	2,542,195	1841	4,966,098	1821	1,869,685	1841	3,944,470
1822	2,680,568	1842	5,785,507	1822	1,907,275	1842	2,950,945
1823	2,880,634	1843	5,347,776	1823	1,754,395	1843	3,339,760
1824	3,477,648	1844	6,300,173	1824	2,212,860	1844	3,682,275
1825	3,894,770	1845	6,328,159	1825	1,483,310	1845	3,832,025
1826	2,665,225	1846	5,735,338	1826	841,915	1846	4,187,885
1827	3,610,727	1847	5,598,747	1827	1,180,460	1847	4,928,130
1828	4,765,241	1848	6,588,755	1828	1,278,775	1848	2,940,585
1829	3,805,933	1849	7,034,977	1829	1,339,650	1849	4,991,670
1830	4,318,181	1850	7,159,176	1830	2,605,560	1850	6,278,205
1831	4,621,874	1851	6,597,178	1831	2,894,365	1851	6,633,890
1832	4,224,897	1852	8,015,211	1832	2,649,950	1852	7,759,330
1833	3,663,679	1853	9,436,433	1833	3,687,015	1853	10,221,805
1834	4,848,612	1854	10,251,903	1834	3,185,985	1854	8,461,900
1835	5,375,327	1855	8,904,630	1835	4,868,930	1855	7,621,715
1836	6,458,030	1856	10,251,903	1836	4,589,110	1856	14,810,280
1837	5,320,965	1857	15,035,027	1837	2,518,365	1857	14,449,145
1838	4,669,484	1858	8,513,525	1838	3,886,400	1858	10,481,500
1839	5,014,006	1859	12,578,849	1839	4,340,590	1859	11,768,560

In speaking of its flourishing condition between 1830 and 1850, Mr. Dunckley says:

Besides maintaining their position in the home market, our manufacturers pushed their sales abroad, and from 1830 a gratifying increase is perceptible in the value of our silk exports; their total value for the ten years ending with 1839, having been £7,042,619, while during the preceding decade their aggregate value had amounted to no more than £3,149,618. In Germany and the United States, our fabrics came into successful competition with the products of the French loom, and in 1844 nearly three-fifths of the manufactured silk exported to the whole of Europe were shipped to France itself. The secret of this extending trade is found in the greater excellence which has marked our silk manufactures since 1824.¹

*Increase of
silk manu-
factures
under pro-
tection.*

¹ The Charter of the Nations, p. 112.

Mr. Dunckley again says:

Turning to the reports of the factory inspectors, we find ample proof that the silk manufacture is regarded as a profitable investment by those who have the best means of being informed respecting it. During the last year, twenty new factories have been built and set in motion, eleven of which are intended for "throwing" only, four for spinning only, one for spinning and weaving, and four for weaving only. Our imports of raw silk, which in 1842, amounted only to 3,856,867 pounds, were 4,385,107 pounds in 1850, and the value of our exports last year showed an advance of more than half a million sterling upon that of 1842.¹

Table No 6 exhibits the foreign trade of the United Kingdom in the several branches of the great iron and steel industry of the country. The magnitude of this department of production in 1845 is not only disclosed by the table in question, but is referred to by Mr. McCulloch who shows that from the furnaces of the country in that year, there were produced 1,750,000 tons of pig iron, and that in the various processes necessary for the production of iron and steel, 9,125,000 tons of coal were consumed. The exports of pig iron in 1845, were 80,000 tons; of bar iron, 154,000 tons; and the exports of all sorts of iron in 1847, amounted to 400,000 tons, which at \$50 per ton, yielded \$20,000,000. The pig iron produced at \$30 a ton, was worth \$52,500,000, and the additional labor expended in forming the pig iron into bar iron, that is, into bars, bolts, rods, etc., probably added about \$17,500,000 more to its value.²

*Metal
industries.*

With the exception of a small amount of Swedish iron, about 20,000 tons, imported for making steel, the entire iron industry of the country, was based on the raw material taken from their own mines.

Considered by percentages, during the fourteen years which preceded the adoption of free trade, and the fourteen years which followed, the exports increased at the following rates:

*Increase
of exports.*

	1831 to 1845.	1845 to 1859.
The exports of brass and copper, ...	110.9 per cent	53.5 per cent
Hardware and cutlery, ...	34.5 per cent	74.4 per cent
Iron and steel, ...	211.5 per cent	251.0 per cent
Lead and shot, ...	119.0 per cent	127.9 per cent
Plate, plated ware, jewelry and watches, ...	56.3 per cent	68.2 per cent
Tin and manufactures of tin, pewter, and tin plate, 122.9 per cent		177.8 per cent
Total exports	123.1 per cent	167.4 per cent

The processes of production were so improved, that a great fall in prices, especially in hardware and cutlery, took place between 1830 and 1845. Mr. McCulloch says, "In some articles the fall exceeded 80 per cent, and there are but few in which it does not exceed 30 per cent."³

¹ The Charter of the Nations, pp. 190-91.

² McCulloch's Commercial Dictionary, pp. 783-4.

³ Commercial Dictionary, p. 660.

TABLE No. 6.

Statement of the Declared Value of the Exports of Domestic Metal Manufactures from the United Kingdom, from 1820 to 1859.

[Compiled from Sessional Papers of the British Parliament by Erastus Bigelow. — The Tariff Question, page 100.]

Years.	Brass and Copper.	Hardware and Cutlery.	Iron and Steel, Wrought and Unwrought.	Lead and Shot.	Machinery and Mill Work.	Plate, Plated Jewelry and Watches.	Tin and Manfr's of Tin, Pewter and Tin Plate.	Total.
1820	\$ 3,613,840	\$ 3,899,775	\$ 4,735,880	\$2,027,860	\$	\$1,357,005	\$1,410,765	\$17,045,125
1821	3,394,880	5,252,375	4,472,950	1,739,820,		1,031,270	1,460,305	17,351,600
1822	2,989,300	5,727,330	4,219,160	1,486,725		906,770	1,678,220	17,007,505
1823	2,718,090	5,373,420	4,394,590	1,239,420		1,050,155	1,794,510	16,570,185
1824	2,622,445	6,112,935	4,253,835	1,192,140	648,260	1,006,550	2,030,240	17,866,405
1825	2,425,590	6,955,560	5,240,315	1,074,530	1,062,080	1,075,415	1,783,550	19,617,040
1826	2,855,745	5,845,525	5,528,090	1,197,710	1,142,520	780,980	2,070,125	19,420,695
1827	3,934,015	6,952,140	6,074,740	1,280,905	1,007,755	847,245	2,448,200	22,545,000
1828	3,392,655	6,928,080	6,134,180	888,280	1,310,470	909,240	2,068,820	21,631,725
1829	4,053,930	6,952,745	5,785,905	572,770	1,250,325	889,175	1,776,410	21,281,260
1830	4,320,720	7,060,535	5,393,390	533,940	1,043,830	952,290	1,778,950	21,083,655
1831	4,016,115	8,110,165	5,619,830	481,660	527,525	940,715	1,539,300	21,235,310
1832	4,582,810	7,172,150	5,953,735	723,260	463,570	868,850	1,775,275	21,539,150
1833	4,420,740	7,331,805	7,025,170	603,565	635,315	996,410	1,845,800	22,758,805
1834	4,809,115	7,426,165	7,034,360	712,560	1,039,905	961,345	1,851,010	23,855,360
1835	5,473,745	9,155,215	8,218,795	975,720	1,539,755	1,159,515	2,066,830	28,599,485
1836	5,301,720	11,330,565	11,713,370	1,224,905	1,510,460	1,694,445	2,248,990	35,010,455
1837	5,831,385	7,304,040	10,046,295	776,255	2,467,340	1,290,380	2,225,425	39,941,120
1838	6,108,660	7,491,635	12,678,460	770,630	3,137,150	1,202,920	2,805,110	34,104,565
1839	6,402,530	9,142,605	13,599,125	987,960	3,416,425	1,371,525	2,426,730	37,346,900
1840	7,252,320	6,745,685	12,624,295	1,186,560	2,965,320	1,022,135	2,498,015	34,294,330
1841	7,618,720	8,119,805	14,386,590	1,211,670	2,756,805	1,070,630	2,385,975	37,549,995
1842	8,053,710	6,992,435	12,288,585	1,772,950	2,773,265	1,007,555	2,823,205	36,711,705
1843	8,221,240	8,727,595	12,954,165	1,259,745	3,561,070	860,040	2,692,375	38,276,230
1844	8,682,725	10,895,440	15,960,840	1,351,720	3,881,275	1,348,250	2,922,920	45,049,170
1845	8,472,205	10,915,000	17,509,475	1,054,870	4,524,805	1,470,730	3,431,420	47,378,505
1846	7,790,935	10,902,940	20,890,130	735,850	5,587,355	1,225,150	3,836,535	50,968,895
1847	7,709,340	11,709,905	26,328,895	896,720	6,315,080	1,415,185	3,222,695	57,597,820

TABLE No. 6—(Continued).

Years.	Brass and Copper.	Hardware and Cutlery.	Iron and Steel, Wrought and Unwrought.	Lead and Shot.	Machinery and Mill Work.	Plate, Plated Jewelry and Watches.	Tin and Man'fr's of Tin, Pewter and Tin Plate.	Total.
1848	\$ 6,289,720	\$ 9,300,750	\$23,889,830	\$ 577,735	\$ 4,088,280	\$1,170,230	\$3,481,300	\$ 48,797,845
1849	9,379,330	11,006,575	24,932,545	1,438,690	3,503,155	1,165,290	4,346,935	55,772,520
1850	9,890,980	13,207,160	26,750,280	1,936,970	5,210,855	1,480,390	5,345,085	63,821,720
1851	8,195,780	14,135,055	29,151,850	1,721,575	5,843,065	1,655,670	5,626,255	66,329,240
1852	8,470,415	13,458,485	33,421,380	1,765,900	6,256,800	2,128,525	5,821,645	71,323,150
1853	9,271,655	18,325,255	54,227,110	1,864,700	9,227,680	3,636,930	6,772,445	104,025,775
1854	8,844,750	19,342,490	58,373,375	2,334,835	9,654,300	3,105,420	6,194,375	107,849,545
1855	10,554,530	14,798,050	47,328,210	2,566,575	11,215,830	2,402,715	6,441,020	95,306,930
1856	13,241,295	18,737,990	64,830,545	2,911,345	13,582,265	2,406,585	8,357,755	124,067,780
1857	15,620,245	20,081,150	68,016,685	2,747,615	19,418,345	2,727,305	9,118,880	137,730,285
1858	14,277,755	16,388,035	55,985,360	2,299,760	17,996,760	2,275,030	8,297,150	117,519,850
1859	13,006,525	19,046,275	61,572,185	2,404,225	18,656,505	2,475,070	9,536,535	126,697,320

Enough has been shown to prove the steady advance made in this industry, during the whole period in question, and it may be further illustrated by the production of pig iron, which was as follows :

1820,	400,000 tons.
1840,	1,500,000 tons.
1849,	2,000,000 tons.
1851,	2,500,000 tons.

The 2,500,000 tons made in 1851, required the production of 7,000,000 tons of ore, 2,700,000 tons of limestone, and 13,000,000 tons of coal, involving the labor of over 700,000 hands, directly or indirectly employed.

In considering the importance of this branch of employment, the smaller industries should not be lost sight of. In 1841 there were employed in England as follows : Blacksmiths, 36,222 ; nail-makers, 97,340 ; brass founders, 13,064 ; makers of cutlery, 11,075 ; makers of needles and pins, 3854 ; boiler-makers, 3479 ; file-makers, 5298 ; locksmiths, 5521 ; makers of tin plateware, 9670 ; besides a large number making anchors, chains, cables, anvils, bits, bolts, coke, files, grates, ranges, stoves, rivets, shot, springs, stirrups, spurs, wire, etc., etc.

Miscellaneous industries.

Table No. 7 exhibits the exports of many sorts of articles of lesser importance than those already mentioned, but showing the wide range of enterprise in which the capital and energy of the English people were being employed. The articles included in this table were those in which hand workmanship was still largely employed. The introduction of machinery with new devices came later than in the production of textile industries. A summary of the exports of this class of articles, showing the increase by percentages during the years preceding 1845, and those terminating with 1859, is as follows :

	1831 to 1845.	1845 to 1859.
Apparel, etc. increased,	101 per cent	191 per cent
Arms, etc. (decreased from 1831 to 1845),	7 per cent	20 per cent
Beer and ale,	171 per cent	382 per cent
Books and print,	84 per cent	156 per cent
Coal and culms,	387 per cent	235 per cent
Earthenware of all sorts,	79 per cent	59 per cent
Haberdashery and millinery,	103 per cent	406 per cent
Glass, all sorts (decreased from 1831 to 1845),	16 per cent	69 per cent
Leather, wrought and unwrought,	42 per cent	387 per cent
Oil, hempseed, linseed and rapeseed,		463 per cent
Other articles,	24 per cent	173 per cent

It should be borne in mind that the foregoing tables and facts relate to the export trade and domestic productions alone. While these in their magnitude and importance surpassed all other countries, the home trade was also controlled and monopolized by English manufacturers. Under protection and by means of the efficiency of the artisans and machinery,

TABLE No. 7.
** A Statement of the Declared Value of Exports of Miscellaneous Articles of Domestic Manufactures from the United Kingdom in Each Year, from 1831 to 1859, inclusive.*

[Compiled from Sessional Papers of the British Parliament by Erastus Bigelow.—The Tariff Question, page 101.]

Year.	Alkali of all sorts.	Apparel: Slops and Negro Clothing.	Arms and Ammunition.	Beer and Ale.	Books Printed.	Coals and Culum.	Earthenware of all sorts.	Glass of all sorts.	Haberdashery and Millinery.	Leather Wrought and Unwrought.	Oil, Hempseed Linseed and Rapeseed.	Other Articles.
1831	£1,862,815	\$2,813,670	\$808,865	\$505,545	\$998,795	\$2,304,740	\$2,149,005	\$2,078,650	\$1,232,920	£1,381,720		
1832	1,893,645	1,374,785	1,019,995	465,190	1,143,230	2,453,930	2,013,575	1,668,070	1,221,960	21,470,760		
1833	2,037,245	1,613,860	1,034,685	622,675	1,156,715	2,484,810	2,229,220	1,908,480	1,397,620	21,075,290		
1834	2,186,320	1,565,185	931,600	612,975	1,103,720	2,466,910	2,484,355	1,724,455	1,241,500	21,543,825		
1835	2,487,835	2,037,865	1,149,120	741,590	1,224,490	2,702,105	3,202,050	2,586,355	1,429,670	23,398,435		
1836	3,046,690	2,056,430	1,354,575	894,725	1,664,395	4,188,870	2,766,920	3,415,200	1,612,730	24,493,890		
1837	2,678,495	1,445,710	1,365,610	738,855	2,157,725	2,816,185	2,388,835	2,076,260	1,279,085	19,928,525		
1838	2,931,395	1,668,635	1,586,790	719,830	2,429,720	3,256,720	1,886,420	2,570,585	1,350,485	24,354,540		
1839	3,592,385	1,973,605	1,921,620	778,575	2,713,045	3,855,865	1,856,040	3,069,750	1,914,975	24,619,430		
1840	3,164,220	1,660,505	2,111,110	736,655	2,882,600	2,865,920	2,085,885	2,879,215	1,604,560	25,042,900		
1841	2,914,240	1,718,880	1,802,100	709,330	3,376,440	3,003,800	2,109,680	3,175,635	1,662,865	22,827,880		
1842	2,696,380	1,918,030	1,718,705	660,095	3,670,000	2,777,150	1,550,760	3,019,975	1,605,035	24,668,320		
1843	3,075,795	1,939,640	1,915,655	734,010	3,452,865	3,145,740	1,699,590	3,590,330	1,862,450	26,672,075		
1844	3,167,855	1,951,690	2,186,870	871,780	3,360,280	3,834,550	1,946,605	4,231,595	1,829,995	24,908,940		
1845	762,060	3,744,340	2,594,440	932,390	4,868,870	4,140,910	1,787,105	4,372,925	1,757,385	28,542,360		
1846	1,059,150	3,564,520	2,423,555	1,002,650	871,695	3,965,830	1,312,735	5,558,125	1,641,385	28,404,810		
1847	1,215,785	2,977,795	2,418,235	960,755	1,002,650	4,171,785	1,455,945	4,638,015	1,709,145	31,397,035		
1848	1,519,045	3,864,195	2,746,255	1,026,330	1,146,995	4,842,510	1,610,060	5,960,840	1,347,665	33,425,740		
1849	1,901,280	4,547,490	2,490,620	1,146,995	1,146,995	5,435,610	1,271,750	7,351,510	1,987,915	33,993,385		
1850	1,813,145	4,988,140	2,339,270	2,885,710	1,340,160	6,512,365	1,538,775	8,638,450	2,424,525	34,365,255		
1851	1,996,180	6,233,385	2,339,270	3,773,135	1,412,040	8,022,955	1,694,135	10,370,900	3,303,155	38,332,615		
1852	2,392,660	13,833,480	2,752,370	6,574,050	2,260,310	8,022,955	2,592,700	12,481,180	3,331,520	42,468,045		
1853	2,480,785	11,331,370	2,739,030	6,574,050	2,260,310	8,022,955	2,592,700	12,481,180	3,331,520	42,468,045		
1854	2,083,065	6,431,870	2,518,595	6,994,425	1,854,610	12,231,705	3,003,690	19,468,065	4,576,085	59,832,135		
1855	3,105,605	9,081,550	7,275,215	2,126,775	14,132,910	6,670,590	3,295,035	17,314,160	8,569,155	66,433,375		
1856	3,878,865	10,796,025	6,604,740	7,961,335	15,033,305	16,033,305	5,767,895	21,450,160	8,569,155	75,962,760		
1857	4,126,885	9,716,790	3,622,705	9,258,775	1,952,920	15,217,305	6,569,155	21,450,160	8,569,155	84,822,370		
1858	5,242,765	10,916,655	3,119,260	10,581,865	2,390,990	16,349,875	6,569,155	21,450,160	8,569,155	92,424,890		
1859										100,000,000		

*Total
foreign
trade.*

this market had been kept to themselves. Considering the wealth and population of the country, it must have been important. There being no authentic sources of information upon the total production and inland trade, no estimates will be made.

The subjoined Table No. 8, presents a general view of the external trade of the United Kingdom from 1793 to 1859, covering the period of protection up to 1846, and of free trade, or partial free trade, as it is called by some, from 1846 to 1860. The mode of entering articles at the Custom House during this period, together with fluctuations in prices of commodities, must be taken into consideration in estimating the growth of trade when making comparisons with other periods, or in making comparisons between those years when the industries were under protection, and the years that followed the removal of duties.

There were two methods of estimating the value of articles upon which the duties were collected, and imports and exports computed. One method of entry was by the official valuation, under which the value of each article was fixed by law. The first four columns on the left-hand side of the table show the imports and exports at their official valuation. The imports were not entered at any other valuation until 1854. The other method of entry was, by what was known as the declared valuation, that is, the value stated in the declaration or bill of lading accompanying the goods for import or export, being the value placed on the articles by the exporter or importer. The fifth column shows the declared or real value of the exports of domestic produce during this time. The next two columns exhibit the excess of one valuation over the other. The official valuation not having been changed during the period, represents a fair index of the general growth of the industries based upon uniform and stable prices. It is in part equivalent to measuring the growth of trade by quantities. The next two columns representing the balance of trade show that during all this time the balance of trade, according to official valuation, was greatly in favor of the English people. Without having the real value of imports during this time, trustworthy comparison with later periods cannot be made.

*False basis
of free
trade
estimates.*

The literature of free traders is filled with comparisons which are very misleading and deceptive. Mr. David A. Wells, an eminent free trade authority, in his article on free trade, in the "Encyclopædia of Political Science," Vol. II, page 298, in attempting to prove that protection had an injurious effect on English commerce, said, "Under the most stringent system of protection ever known in Great Britain, the growth of British exports, commencing with 1805, was as follows: 1805, \$190,000,000; 1825, \$194,000,000; net increase in twenty years, \$4,000,000, or at a rate of \$200,000 per annum." It is surprising that so eminent an author as Mr. Wells should fall into such an error as is disclosed by the figures which he presents. While on their face they are substantially correct the conditions

TABLE No. 8.

Statement of the Total Imports and Exports of the United Kingdom from 1793 to 1859 (Exclusive of Bullion and Specie), as Appears by the Compilation from the Sessional Papers of Parliament, by Erastus Bigelow (Tariff Question, p. 108), and as Given in McCulloch's Commercial Dictionary, pp. 711, 712, edition of 1849.

Year.	Imports. Official Value.	EXPORTS—OFFICIAL VALUE.			Exports of British Produce and Manufactures.		Exports of British Produce and Manufactures.	Excess of Official over Real Value.	Excess of Real Value over Official.	BALANCE OF TRADE.		Total.	Real Value of Imports.
		British Produce and Manufactures.	Foreign and Colonial Produce.	Total Exports.	Declared or Real Value.	Of Exports of British Produce.				Excess of Exports over Imports.	Excess of Imports over Exports.		
1793	96,275,585	69,461,345	32,482,800	101,944,145	101,944,145	101,944,145	101,944,145	101,944,145	101,944,145	5,668,560	108,219,730	108,219,730	108,219,730
1795	113,684,445	81,691,065	53,925,630	135,616,695	135,616,695	135,616,695	135,616,695	135,616,695	135,616,695	21,932,290	249,301,440	249,301,440	249,301,440
1798	139,289,445	98,362,515	69,596,375	167,958,890	165,743,410	167,958,890	165,743,410	167,958,890	165,743,410	28,669,445	307,248,335	307,248,335	307,248,335
1800	152,853,025	121,521,420	94,238,680	215,760,100	197,356,015	215,760,100	197,356,015	215,760,100	197,356,015	62,907,075	368,613,125	368,613,125	368,613,125
1805	136,670,100	114,536,855	38,065,600	152,602,455	186,171,980	152,602,455	186,171,980	152,602,455	186,171,980	15,932,355	289,272,555	289,272,555	289,272,555
1810	188,066,470	166,497,040	46,787,175	213,284,215	235,004,630	213,284,215	235,004,630	213,284,215	235,004,630	25,217,745	401,350,685	401,350,685	401,350,685
1815	159,110,265	208,560,010	78,542,175	287,102,185	248,266,225	287,102,185	248,266,225	287,102,185	248,266,225	39,706,215	446,212,450	446,212,450	446,212,450
1816	131,874,605	173,872,605	67,208,325	241,080,930	201,644,700	241,080,930	201,644,700	241,080,930	201,644,700	27,772,095	372,955,535	372,955,535	372,955,535
1817	149,552,510	196,167,335	51,346,355	247,513,990	201,746,175	247,513,990	201,746,175	247,513,990	201,746,175	109,206,325	397,066,200	397,066,200	397,066,200
1818	179,226,700	209,802,775	54,179,000	263,981,775	225,900,750	263,981,775	225,900,750	263,981,775	225,900,750	97,961,180	443,208,475	443,208,475	443,208,475
1819	148,498,200	164,918,445	49,396,180	214,314,625	171,261,255	214,314,625	171,261,255	214,314,625	171,261,255	84,755,075	362,722,825	362,722,825	362,722,825
1820	157,576,110	189,101,465	52,625,130	241,726,595	177,845,355	241,726,595	177,845,355	241,726,595	177,845,355	105,138,245	399,302,705	399,302,705	399,302,705
1821	148,845,610	200,973,495	53,010,450	253,983,955	179,115,635	253,983,955	179,115,635	253,983,955	179,115,635	84,150,485	402,829,465	402,829,465	402,829,465
1822	147,161,880	217,792,440	45,059,640	263,832,080	180,884,485	263,832,080	180,884,485	263,832,080	180,884,485	116,690,200	411,013,960	411,013,960	411,013,960
1823	172,956,320	215,830,195	42,944,980	258,775,175	172,947,050	258,775,175	172,947,050	258,775,175	172,947,050	85,818,855	431,731,495	431,731,495	431,731,495
1824	180,282,755	240,124,760	50,942,980	291,067,740	188,000,105	291,067,740	188,000,105	291,067,740	188,000,105	116,690,200	471,350,495	471,350,495	471,350,495
1825	213,304,770	232,265,110	45,776,525	278,041,635	190,386,650	278,041,635	190,386,650	278,041,635	190,386,650	64,736,865	491,346,405	491,346,405	491,346,405
1826	186,871,750	201,664,270	50,332,515	251,996,785	154,237,640	251,996,785	154,237,640	251,996,785	154,237,640	71,125,035	432,868,535	432,868,535	432,868,535
1827	217,446,730	256,395,510	49,031,715	305,427,225	181,974,085	305,427,225	181,974,085	305,427,225	181,974,085	87,980,495	522,873,955	522,873,955	522,873,955
1828	217,680,935	260,098,640	49,643,275	309,741,915	180,751,895	309,741,915	180,751,895	309,741,915	180,751,895	92,060,980	537,422,890	537,422,890	537,422,890
1829	211,558,245	277,328,615	53,032,205	330,360,820	176,064,395	330,360,820	176,064,395	330,360,820	176,064,395	118,802,575	541,919,065	541,919,065	541,919,065
1830	224,076,985	302,463,185	42,678,930	345,142,115	188,456,510	345,142,115	188,456,510	345,142,115	188,456,510	121,065,130	569,219,100	569,219,100	569,219,100
1831	240,808,305	300,450,615	53,649,715	354,100,330	183,263,470	354,100,330	183,263,470	354,100,330	183,263,470	113,292,025	594,908,635	594,908,635	594,908,635

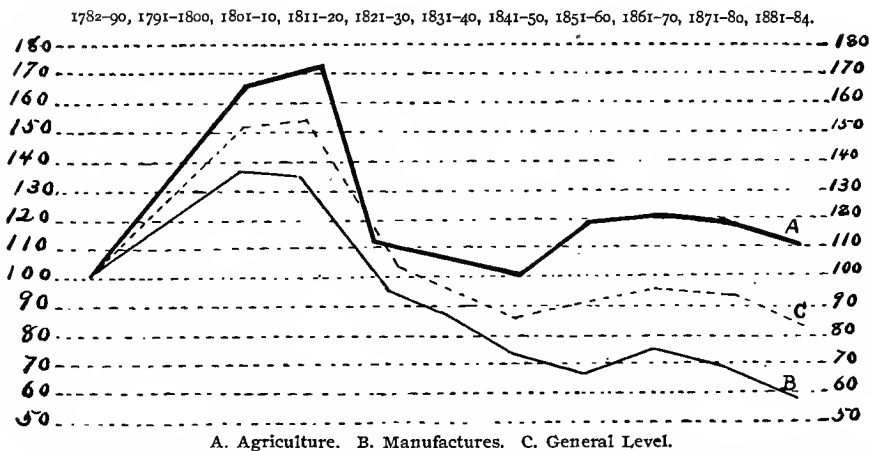
(TABLE No. 8—Continued.)

Year.	Imports. Official Value.	EXPORTS—OFFICIAL VALUE.			EXPORTS OF BRITISH PRODUCE AND MANUFACTURES.		EXPORTS OF BRITISH PRODUCE AND MANUFACTURES.		Exports of British Produce and Manfr's.	Excess of Official Real Value.	Excess of Real Value over Official.	BALANCE OF TRADE.		Total.	Real Value of Imports.
		British Produce and Manufactures.	Foreign and Colonial Produce.	Total Exports.	Declared Real Value.	Of Exports of British Produce.	Of Exports of British Produce.	Of Exports of British Produce.				Excess of Exports over Imports.	Excess of Imports over Exports.		
1832	216,187,085	322,910,185	55,183,795	378,093,980	180,230,135	142,680,050	142,680,050	142,680,050	161,906,895	161,906,895	161,906,895	161,906,895	161,906,895	594,281,065	594,281,065
1833	222,646,435	348,169,270	49,102,930	397,272,200	196,527,365	151,641,705	151,641,705	151,641,705	174,625,765	174,625,765	174,625,765	174,625,765	174,625,765	619,918,635	619,918,635
1834	239,544,655	367,477,680	57,749,565	425,227,245	206,432,970	161,044,710	161,044,710	161,044,710	185,682,590	185,682,590	185,682,590	185,682,590	185,682,590	664,771,900	664,771,900
1835	237,318,095	389,663,080	63,919,910	453,582,990	234,631,850	155,031,230	155,031,230	155,031,230	216,264,040	216,264,040	216,264,040	216,264,040	216,264,040	690,900,140	690,900,140
1836	278,667,095	424,416,380	61,922,690	486,339,070	264,704,190	159,712,190	159,712,190	159,712,190	207,671,975	207,671,975	207,671,975	207,671,975	207,671,975	765,006,165	765,006,165
1837	266,124,370	361,561,035	66,116,655	427,677,690	208,831,025	152,730,010	152,730,010	152,730,010	161,553,320	161,553,320	161,553,320	161,553,320	161,553,320	693,802,060	693,802,060
1838	299,594,525	460,539,490	63,513,300	524,052,790	248,204,480	212,335,010	212,335,010	212,335,010	224,658,265	224,658,265	224,658,265	224,658,265	224,658,265	823,447,315	823,447,315
1839	301,730,330	484,735,610	63,895,285	548,630,895	263,507,545	221,228,065	221,228,065	221,228,065	246,900,565	246,900,565	246,900,565	246,900,565	246,900,565	850,361,225	850,361,225
1840	329,367,035	511,317,560	68,828,090	580,145,650	254,482,780	256,834,780	256,834,780	256,834,780	269,054,095	269,054,095	269,054,095	269,054,095	269,054,095	909,512,705	909,512,705
1841	317,945,400	508,903,765	73,573,175	582,476,940	256,088,290	252,815,475	252,815,475	252,815,475	269,054,095	269,054,095	269,054,095	269,054,095	269,054,095	895,899,875	895,899,875
1842	342,165,250	587,872,815	69,737,565	657,610,380	259,660,280	328,212,535	328,212,535	328,212,535	249,494,660	249,494,660	249,494,660	249,494,660	249,494,660	885,385,460	885,385,460
1843	367,738,940	656,691,735	71,937,590	728,629,325	291,581,575	355,110,160	355,110,160	355,110,160	315,445,130	315,445,130	315,445,130	315,445,130	315,445,130	999,775,630	999,775,630
1844	416,653,045	671,929,460	81,295,630	753,225,090	299,188,300	372,741,160	372,741,160	372,741,160	360,890,385	360,890,385	360,890,385	360,890,385	360,890,385	1,006,368,265	1,006,368,265
1845	365,288,480	660,208,255	81,456,020	741,664,275	287,729,925	372,478,330	372,478,330	372,478,330	336,572,045	336,572,045	336,572,045	336,572,045	336,572,045	1,109,878,135	1,109,878,135
1846	454,609,330	630,655,145	100,204,895	730,860,040	294,211,885	336,443,260	336,443,260	336,443,260	276,250,710	276,250,710	276,250,710	276,250,710	276,250,710	1,106,952,755	1,106,952,755
1847	467,735,670	663,095,770	91,884,430	754,980,200	264,247,225	398,848,545	398,848,545	398,848,545	376,375,795	376,375,795	376,375,795	376,375,795	376,375,795	1,185,469,370	1,185,469,370
1848	529,373,035	822,697,520	127,809,450	950,506,970	317,980,125	504,717,395	504,717,395	504,717,395	287,244,530	287,244,530	287,244,530	287,244,530	287,244,530	1,222,715,870	1,222,715,870
1849	502,302,165	877,083,545	109,465,835	986,549,380	356,795,920	287,625	287,625	287,625	421,133,935	421,133,935	421,133,935	421,133,935	421,133,935	1,479,880,005	1,479,880,005
1850	553,395,625	953,291,570	118,663,515	1,071,955,085	372,243,610	581,047,960	581,047,960	581,047,960	518,559,465	518,559,465	518,559,465	518,559,465	518,559,465	1,625,350,710	1,625,350,710
1851	549,727,045	981,083,050	116,645	1,097,728,495	390,246,835	590,836,215	590,836,215	590,836,215	551,001,450	551,001,450	551,001,450	551,001,450	551,001,450	1,644,455,540	1,644,455,540
1852	615,496,595	1,071,637,260	138,667,685	1,210,304,945	494,668,905	576,968,355	576,968,355	576,968,355	594,808,380	594,808,380	594,808,380	594,808,380	594,808,380	1,825,801,510	1,825,801,510
1853	615,496,595	1,070,359,240	149,040,220	1,219,399,460	485,923,630	584,435,610	584,435,610	584,435,610	598,719,370	598,719,370	598,719,370	598,719,370	598,719,370	1,840,079,550	1,840,079,550
1854	586,424,405	1,134,601,310	157,471,955	1,292,073,265	478,449,425	656,160,885	656,160,885	656,160,885	705,648,860	705,648,860	705,648,860	705,648,860	705,648,860	1,878,497,670	1,878,497,670
1855	659,688,815	1,292,528,265	167,118,620	1,459,646,885	579,134,740	713,393,525	713,393,525	713,393,525	798,958,070	798,958,070	798,958,070	798,958,070	798,958,070	2,119,335,700	2,119,335,700
1856	681,079,245	1,276,983,565	153,989,090	1,430,972,655	610,330,535	666,653,030	666,653,030	666,653,030	749,893,410	749,893,410	749,893,410	749,893,410	749,893,410	2,112,051,900	2,112,051,900
1857	690,795,720	1,358,274,110	169,439,405	1,527,713,515	583,044,555	775,229,555	775,229,555	775,229,555	836,917,795	836,917,795	836,917,795	836,917,795	836,917,795	2,218,509,235	2,218,509,235
1858	728,219,695	1,486,788,340	186,155,490	1,672,943,830	652,057,355	834,730,985	834,730,985	834,730,985	944,724,135	944,724,135	944,724,135	944,724,135	944,724,135	2,401,163,525	2,401,163,525
1859	728,219,695	1,486,788,340	186,155,490	1,672,943,830	652,057,355	834,730,985	834,730,985	834,730,985	944,724,135	944,724,135	944,724,135	944,724,135	944,724,135	2,401,163,525	2,401,163,525

upon which they are based justify no such conclusion as he attempts to draw from them. The superficial examination which Mr. Wells must have made led him into the error, which is committed so often by all those economic writers who fail to examine the facts and conditions which determine the real force of economic propositions. If Mr. Wells had examined the fluctuations in prices of commodities during the period in question he undoubtedly would have withheld his statement.

The discrepancy between the figures given by Mr. Wells, and those contained in the table referred to, does not materially affect the question. It has already been pointed out that, following the breaking out of the Napoleonic wars in 1793, through the suspension of specie payments, the issuing of paper money and other causes, prices at once advanced to an almost unheard of point, and then at its termination about 1819, upon the resumption of specie payment, a most sudden fall in prices took place, which continued until about 1841. The value of British exports was also affected by the introduction of machinery and improved methods, which greatly reduced their cost of production. The sudden fluctuations in values during the time referred to by Mr. Wells, is very clearly illustrated by the following diagram :¹

Fluctuations of prices.



The reader will note that Mr. Wells in selecting 1805 as the basis of his comparison, picked out a year when the prices of manufactures had reached their highest point. They had advanced about forty per cent over twelve years before. He then says that the exports in 1825 were worth only \$194,000,000, a net increase in twenty years of \$4,000,000, or of only \$200,000 a year, a very small increase indeed and a very poor showing for protection ; but when we take into consideration the fact that prices by this time (1825) had fallen forty per cent, and were down to the level of 1793, an entirely different phase of the situation is presented.

¹ Mulhall's History of Prices, p. 131.

If the \$194,000,000 of British exports of 1825 had been sold at the prices which prevailed in 1805, instead of having \$194,000,000 of exports and an increase of only \$4,000,000, the exports would have been \$271,000,000, an increase of \$77,600,000, instead of \$4,000,000, a good showing for protection.

It appears from Table No. 8, that in 1805 the *real* or declared value of the exports was \$71,635,125 more than their *official* value. While in 1825 prices had so declined that the *real* value of the exports was \$41,878,460 less than the *official* value. By an examination of the *official* values, as represented by the fourth column of the table referred to, it will appear that by the *official* valuation the total exports (based on uniform prices), were valued at \$152,602,455 in 1805, while by the same valuation they had increased to \$278,041,35 in 1825, or an increase of \$125,439,180, or 82 per cent. From this illustration the reader will note the importance of studying prices, and those conditions which tend to disturb settled business conditions, in order to measure properly the growth of the trade of nations.

On this point Mr. McCulloch says :

The increase in the official and the decline in the real value of the exports since 1815 have given rise to a great deal of irrelevant discussion. It has been looked upon as a proof that our commerce is daily becoming less prosperous, whereas, in point of fact, a precisely opposite conclusion should be drawn from it. But the circumstance of a manufacturer or merchant selling a large or a small quantity of produce, at the same price affords no criterion by which to judge as to the advantage, or disadvantage of the sale ; for if, in consequence of improvements in the arts or otherwise, a particular article may now be produced for half the expense that its production cost ten or twenty years ago, it is obvious that double the quantity of it may be afforded for the same price without injury to the producers. Now this is the case with some of the most important articles exported from England. Cotton and cotton yarn form a full half or more of our entire exports ; and since 1814 there has been an extraordinary fall in the price of these articles occasioned partly by cotton wool having fallen about 1s. 6d. to about 5½d. per pound, but more by the improvements in the manufacture. To such an extent have these causes operated that yarn No. 40 which cost in 1812 2s. 6d., cost in 1843, 9½d. ; in 1812 No. 60 cost 3s. 6d. ; in 1843 it cost 1s. ½d. ; in 1812, No. 80 cost 4s. 4d., in 1843 it cost 1s. 4d., and so on, and in the weaving department the reduction has been similar. Hence, while the official value of the cotton goods and yarn exported has increased from about 18,000,000 pounds, in 1814, to above 68,500,000 pounds, in 1842, their real or declared value has only increased from above 20,000,000, in 1814, to 21,675,000 pounds in 1842.¹

The decline in prices of manufactures continued until about 1849, at which time an advance occurred, continuing until 1870. This important consideration cannot be ignored in making fair comparison of the growth of the external trade of England during this period. The diagram presented, exhibiting the fluctuations in prices, exposes one of the most common deceptions practiced by free trade writers, in attempting to create a wrong impression of the influence of a protective tariff in England.

¹ Commercial Dictionary, p. 712.

*Decline in
the price
of cotton.*

Taking the whole external trade of the United Kingdom during the period in question, viewing it from a rational consideration of the facts and circumstances existing at the time, we find a steady and constant increase up to 1846, which continued from that time until 1860. An analysis of Table No. 8 shows the following result when considered in percentages :

	Per-cent of Increase. 1831 to 1845.	Per cent of Increase. 1845 to 1859.
Imports (Official value), ...	73 per cent.	74.7 per cent.
Exports, British produce and manufactures (Official value), ...	123.6 per cent.	121.2 per cent.
Exports, foreign and colonial produce (Official value), ...	51.5 per cent.	128.9 per cent.
Total Exports (Official value), ...	112.7 per cent.	122.1 per cent.
Exports, Domestic produce and manufactures (Real value), ...	63.2 per cent.	117.9 per cent.

*Increase of
manufac-
tures under
free trade
and protec-
tion com-
pared.*

The percentages given above represent the increase during the fourteen years before the adoption of free trade and the fourteen years which followed. During the whole of the first period there was a slight decline in prices ; while in the years following the adoption of free trade, there was an advance in prices. During the latter period the building of railroads and steamships, and the increased supply of the precious metals, brought about an activity in business, to which the improvement in foreign trade of Great Britain may be attributed, together with one other fact of great importance. By the low tariff adopted in the United States in 1846, an unusual expansion of the exports of British manufactures occurred to that country.

That it was the reduction of duties in the United States and other countries which contributed to the expansion of English trade, the people of those countries well knew from the depressed and crippled condition of their industries when subjected to English competition, although it has been constantly urged that the increase of exports which took place was due to the free trade measures adopted by the British parliament.

A fuller discussion of the effect of the low tariff of 1846 will be given in connection with the treatment of the tariff question in the United States. The purpose of Mr. Cobden and his associates was in part being accomplished by the surrender of the markets of the United States to British manufactures.

The foregoing facts and figures, compiled from the most reliable authorities, ought, for themselves, to be sufficient proof of the steady growth of English industry during the period in which the policy of protection was maintained. It must be apparent from the utterances of eminent English writers, which are given below, that the statements of professional free traders to the effect that English industries were being ruined by protection, were pure fabrications. The following quotations, written, nearly all, between 1845 and 1854, are taken from the works of men who advocated the doctrines of free trade, with the exception of

*Industrial
progress
under pro-
tection—
Contem-
porary
English
opinion.*

Archibald Alison, the eminent historian, who was a protectionist and certainly a very trustworthy authority upon the condition of English industries between 1815 and 1845. Writing in 1845 a review of the period between 1815 and 1845, Alison said :

Considered in one point of view, there never was a nation which, in an equal space of time, had made so extraordinary a progress. Its population had advanced from 20,600,000 in 1819 to 28,000,000 in 1844; its imports had increased from £30,000,000 in the former period to £70,000,000 in the latter; its exports had advanced during the same period from £44,000,000 to £130,000,000; its shipping from 2,650,000 tons to 3,900,000. There never, perhaps, was such a growth in these the great limbs of industry in so short a period in any other State. Nor had agriculture been behind the other staple branches of national industry. Its produce had kept pace with the income, unparalleled in an old State in the population, as well as the still more rapid multiplication of cattle and horses for the purposes of use and luxury; and amidst this extraordinary growth of consumption, the still more extraordinary fact was exhibited of the average importation of grain steadily declining from the commencement of the century, till at length, anterior to the six bad seasons in succession, which commenced in 1836, it had sunk to 400,000 quarters on an average of the five preceding years, being scarce an hundred and twentieth part of the annual consumption of men and animals, which exceeds 60,000,000 quarters. And what is most extraordinary of all, the returns of the income tax, when laid on even in the year 1842, a period of severe and unprecedented commercial depression, proved the existence in Great Britain alone of £200,000,000 of annual income of persons enjoying above £150 each; of which immense sum about £150,000,000 were from the fruits of *realized capital*, either in land or some other durable investment. It is probable that such an accumulation of wealth never existed before in any single State, not even in Rome at the period of its highest splendor.¹

He further said:

Nor has the increase of opulence in cities been less remarkable than the augmentation in the number of their inhabitants. The daily display of wealth in the metropolis excites the astonishment of every beholder. It is not going too far to say that it is double of what it was at the close of the war. Manchester, Liverpool, Birmingham, Glasgow, Leeds, Bristol, Dundee, Aberdeen and all the trading towns of the empire have advanced in a similar proportion, not merely in the opulence of a few, but the evident ease and well-being of a considerable portion of the community. It is impossible to see the streets of comfortable houses calculated for persons of moderate income, and the miles of villas beyond them for those more advanced in opulence, without becoming sensible that prosperity has almost everywhere descended far in society in the urban population.²

Even Mr. Mongredien, in speaking of the year 1845, the year before free trade was adopted, says :

“ In 1845 the country was flourishing, trade was prosperous, and the revenue showed a surplus, railways were being constructed with an enormous rapidity and the working classes were fully and remuneratively employed.”

In 1836, Mr. Cobden, referring to the condition of the English people from the close of the Napoleonic wars, says : “ In a word, at no period

¹ England in 1815 and 1845, Alison, p. 6. ² Id., pp. 26 and 27.

were the peasantry of this country enjoying so great an amount of comforts as they possess at this time, and the primary cause of which is the twenty years' duration of peace."¹

Mr. Dunckley says:

No century since the conquest has done half so much to revolutionize the modes of subsistence, and with them the prevalent habits and manners of the people, as that which closed with 1850. During this period the population has multiplied at a quicker ratio than any preceding epoch.²

To Northern Europe our exports have nearly doubled; to Southern Europe, they had experienced an advance of almost 90 per cent; our exports to Africa had increased five-fold; to Asia 150 per cent; to the United States 80 per cent; to the foreign West Indies more than 100 per cent; to South America more than 75 per cent; and the total amount to £58,484,292, being an advance of no less than 86 per cent upon the value of our exports in 1826.³

Mr. Porter (1851) in concluding a survey of the industrial progress of the country from the beginning of the nineteenth century to 1850, says:

If the complaint of "surplus population" has any foundation, would it not have been in the later years of this series that the evils of such a condition would chiefly have made themselves apparent? And yet, we may triumphantly point to the evidences that have attended our researches as recorded in this volume, to show that the material progress of the country has never before proceeded with a speed equal to that which it has made during the past five and twenty years.⁴

The reader will do well to contrast the foregoing expressions from some of the most eminent and trustworthy authors of Great Britain, with the literature that has been circulated by the members of the Cobden Club, to create an impression that the industries of Great Britain were being crippled by protective tariffs. An illustration of the way in which the facts bearing upon this question are misunderstood is afforded by the following passage in a speech by Mr. Harter, member of Congress from Ohio, in favor of the Wilson bill, January 11, 1894:

False impression as to the condition of England under protection.

Yes, Great Britain had protection until about 1842, but what was the condition of England's trade under it? How did her commerce flourish? Did her manufacturers prosper? These, and questions like these, will throw much needed light upon this subject, which so utterly befogs the average Republican intellect. I beg, therefore, to say to the House that, at the time tariff reform measures were first introduced in Great Britain, the chronic condition of her working people was one of hunger. One of hunger, I repeat. Her manufactures were languishing. At the end of a period of many hundred years of protection her trade was dormant.

Mr. Harter could not have been familiar with the expressions of Archibald Alison, Mr. Porter, or even with what Mr. Cobden himself said in 1836. The effort to throw discredit on the policy of protection by

¹ Cobden's Political Writings, p. 248. ² Charter of the Nations, p. 10. ³ Id., p. 129. ⁴ Progress of the Nation, p. 686.

statements of this character has arisen since the masses of the English people have become reduced to degradation and poverty, and the industries of the country paralyzed under the blighting influence of free trade, in order to show that the conditions are no worse than they were while the policy of protection was being practiced. Aside from the distress of 1846 and 1847, caused by the failure of the potato crop and wheat harvest in 1846 and 1847, and a few exceptional years of commercial panics, it may be safely stated that the English people enjoyed a high degree of prosperity so long as protection was continued.

PART IV.

RETURN TO FREE TRADE AND ITS EFFECT ON HOME INDUSTRIES.

CHAPTER I.

ORIGIN OF THE FREE TRADE MOVEMENT.

The period embraced within this chapter, from 1793 to 1860, is so filled with industrial and legislative changes that a whole volume might be devoted to their consideration, with an exercise of a fair degree of brevity.

The industrial changes which began in the latter part of the eighteenth century were continued by discoveries and inventions, until, by the middle of the nineteenth century, nearly all branches of trade and commerce were revolutionized. During this period steam engines were substituted for water wheels in nearly every branch of manufacture requiring the use of motive power, while railroads and steam navigation revolutionized the means of transportation and communication. The increase of knowledge, the discoveries in chemistry and other departments of science, placed the arts of manufacture upon an entirely new basis, and brought into requisition a different order of talent and skill. By 1846 machine work had largely displaced the old system of hand labor. The old masters who had carried on small factories with a few journeymen and apprentices, were compelled to give way to companies and corporations, with large capital and plants fitted up with all modern improvements. The factory system was brought into existence by those inventions of textile machinery which increased the expense of setting up plants and carrying on this department of manufacturing. As machinery became more perfected, and its use extended to different branches of industry, the system of capitalistic production increased, until finally a complete transformation was effected and the lord of ten thousand spindles became more powerful in the realm, than the lord of ten thousand acres.

Introduction of machinery.

By the use of machinery a person could, in a very short time, not only learn to perform the same work which hitherto had required years of training, but could accomplish so much more in the same length of time, that thousands of old artisans were thrown out of employment. Their

Industrial effects of machinery.

displacement caused much suffering and distress. Unable easily to find employment, and to adjust themselves to the changed conditions, they organized into bodies and went about assaulting factories and demolishing machinery. The general benefits and advantages of the new inventions, to the whole people, so outweighed the temporary and individual losses which occurred, that nothing could stop or check the full play of inventive genius, and the progressive development of man's powers over the forces of nature went steadily on. The increased productive capacity of labor became so great that it was difficult to find new markets for the surplus products. While the wages of hand workmen were constantly reduced in attempting to keep up the struggle against machinery, until the fight was finally given up, the earnings of those artisans who learned to attend machines, and became fitted for the new system, were greatly increased.

Important characteristics of the period from 1793 to 1860.

There is no similar period in the history of any country in which so many influences favorable to business activity were constantly arising, while at the same time *external* forces were operating to bring about business depressions, and hinder an unlimited expansion of the commerce of its inhabitants. While they were perfecting their machinery, increasing their factories, accumulating wealth, educating and fitting their artisans in the use of machinery, and becoming able to do the manufacturing for the entire world, the United States and all Continental countries were building up rival industries under a system of protective tariffs and closing their markets to the admission of English goods. This is one of the most important conditions which was then affecting the unlimited expansion of British industries. Instead of their markets being constantly extended, as their ability to supply them increased, they were being restricted.

The conditions which affected the price of wheat during certain years should also be considered. There was a very deficient harvest in 1839, and three successive poor harvests occurred in 1845, 1846 and 1847. The year 1847 is particularly noted for the failure of the potato crop in Ireland, which caused one of the most severe famines with which the people of any country were ever afflicted.

It was during the failure of the wheat crop and the famine in Ireland, when the people of both countries were not only suffering from a lack of sufficient food, but also from high prices occasioned thereby, that the duties on agricultural products were repealed, and the English people changed their commercial policy and adopted free trade. During this period also, between 1840 and 1850, a system of railroad building was entered upon in England and throughout the world, and the substitution of steam for sailing vessels, in passenger and freight traffic, was begun, followed immediately by the discovery of gold in California in 1849, and in Australia in 1851, which gave to the business of the world an impetus, the importance of which can scarcely be overestimated.

The first part of this period, from 1815 to 1840, was one of retrenchment and recovery from some of the most violent causes which ever revolutionized and disorganized the business of any people in any time. The latter part, from 1840 to 1860, is characterized by the new causes which gave, not only to England but to the people of every civilized country, increased facilities in manufacturing, trade and commerce. From this time the people of England were doing business under a stable financial policy. The increased supply of the precious metals, the revival of trade and commerce, caused by railroad building and the construction of steamships, created such business activity, that a sufficient demand for commodities arose to enhance prices somewhat. The reader will readily appreciate the fact that nearly all of these causes, which either injured or benefited the commercial interests of the English people, existed wholly apart from either protection or free trade.

This period becomes of direct importance, because England entirely abandoned the policy of protection, threw her ports open, and invited the free admission of the products of other countries, in competition with the products of her farms, factories and mines, thus adopting the policy of free trade. Since that time, her statesmen, economic writers and manufacturers, have persistently been urging and advising other nations to pursue the same course. In the arguments used to sustain the position taken by England, it has been constantly paraded before the world, and vigorously and boldly asserted, that all of the disasters which befell the English people, prior to 1846, were the result of the system of protection, while all of the progress since 1846 was mainly due to the adoption of free trade. The high price of wheat, caused by the failure of crops, is loudly proclaimed as the result of protection, while the free trade writers are absolutely silent about the moderate prices which prevailed when crops were good.

*Misrepresentation
of free
traders.*

The want and suffering, occasioned by the famine of 1846 and 1847 are pictured with all the horrors which can be depicted by the eloquence and graphic pens of English free traders; yet the plenty and prosperity of other times are ignored. The low wages of the hand-loom weavers are held up as the effect of protection, while nothing is said about the high wages paid to machine workers. One would think to read the free trade literature put out by the Cobden Club since 1867, with which this and other countries have been flooded, that the most appalling conditions existed in England up to the time free trade was proclaimed. Fortunately, however, we are not compelled to rely upon the literature of the Cobden Club for the facts bearing upon this question.

This period of the commercial history of the country has been the subject of much controversy, which is of but little importance in considering the merits of protection or free trade, yet it has given rise to so much misunderstanding, that the economic conditions which prevailed at this

The Napoleonic wars.

time should be presented, in order to refute the many misrepresentations made, and allow the reader to arrive at the underlying facts.

The Napoleonic wars which, from 1793 to 1815, involved all Europe in the most destructive and devastating struggle of modern times, afforded an opportunity for Great Britain to drive every Continental rival from the sea, gain the absolute control of the foreign commerce of the world, and make her commercial supremacy complete. Since the time of Cromwell her foreign policy had for its chief end her commercial pre-eminence. The great central purpose of this nation was at first to acquire foreign possession and to participate in the carrying trade. This soon, however, developed into a definite plan of preventing, by every means within her power, other people from becoming and remaining competitors in manufacturing and commerce. Her Navigation Laws were enacted for the purpose of transferring to her own merchants and shippers the trade then enjoyed by the Dutch. At all times ready to engage in foreign wars to forward this end, in numerous instances, she deliberately provoked controversies for the purpose of annihilating rivals. To destroy the shipping, foreign trade and business connections of all Continental powers and to strip them of their possessions, formed the chief interest of the English people in the wars with Napoleon. The wealth, productive forces and powerful navy which they already possessed, together with their insular position, enabled them to defend what they then held, while hostilities involving so many rivals afforded an opportunity to bring about the ruin of their competitors.

British commercial supremacy.

Although the victories of Nelson and Wellington were purchased at a great sacrifice of human life and treasure, and the English people were burdened with an enormous debt, which to this day is unpaid, the commercial advantages secured cannot be overestimated. It was half a century before the Continent recovered from the bankrupt and crippled condition to which it was reduced. During all this time English manufacturers were acquiring wealth and amassing fortunes from the trade which they enjoyed. The possessions acquired at this time have continued a source of revenue, profit and strength to the realm. The destruction of the shipping of Continental countries gave to England such an absolute monopoly of the carrying trade of the world, that no rivals have since arisen capable of taking it from her. The absolute supremacy established at this time is one of the chief causes of the steady and unparalleled growth of commerce, which during the nineteenth century is perhaps the most important phase of the industrial life of the country. That this pre-eminence and commercial greatness were not attained by that let-alone policy of free trade is shown by Mr. Cobden, who said :

During the latter half of the French revolutionary wars, England, owing to successive victories, became the mistress of the ocean. Her flag floated triumphantly over every navigable parallel of latitude, and her merchants and manufacturers commanded

a monopoly of the markets of the globe. For a period of more than ten years an enemy's ship was scarcely to be seen, unless a fugitive from the thunders of our vessels of war. No neutrals were allowed to pass along that thoroughfare of nations, the ocean, without submitting to pay homage to British power of undergoing the humiliation of a search by our cruisers.¹

Thorold Rogers, one of the most eminent English writers of recent years, speaking of the position held by England at the close of these wars, says:

*Prosperity
of Great
Britain.*

The exhaustion of Europe after the peace of 1815 left the British people as completely the masters of a sole market as if they had conquered it themselves. The Continental war had absolutely arrested all Continental progress. All the while England was making fresh way in the newer sciences, such as chemistry was, and her rivals were of the future.²

Secure from foreign invasion England was enjoying that internal tranquillity which is so favorable to commercial interests. Her factories and artisans were busy in supplying her merchants and shippers with produce for all markets. Holding a complete monopoly of the carrying trade, the greatest manufacturing country in Christendom, she was ready to profit by the misfortunes of other nations and enjoy a period of prosperity, such as, perhaps up to that time, had never been known. Of this period Alison says:

Prosperity unrivaled and unheard of pervaded every department of the empire. Our colonial possessions encircled the earth, the whole West Indian Islands had fallen into our hands. An empire of 60,000,000 men in Hindoostan acknowledged our rule. Java was added to our Eastern possessions, and the flag of France disappeared from every station beyond the sea. Agriculture, commerce and manufactures at home had increased in unparalleled ratio.

This most unusual prosperity in the very nature of things could not last. When some of the principal influences which were especially stimulating business activity were withdrawn, a business crisis followed as a natural result of changed conditions. The government had been expending over seven hundred million dollars yearly, in paying the expenses of a war. This must now cease. Over three billion dollars had changed hands and been put in circulation by the government and this sum was represented by the debt alone. Over three hundred thousand soldiers were disbanded and sought employment in industrial pursuits. The over-speculation which followed the close of the war; by flooding Continental markets with vast quantities of goods for which they were too poor to pay, ruined many manufacturers and merchants. "Yet the years from 1815 to 1819," says Mr. Alison, "though checkered with suffering from these causes, and from two bad harvests in 1816 and 1818, were upon the whole prosperous." The conditions which prevailed at this time are so similar to those following the great rebellion in the United States, that the reader

*Business
crisis of
1815 to 1819.*

¹ Political Writings, p. 229.

² Industrial and Commercial History, p. 20,

*Effect of
the sudden
resumption
of specie
payments.*

will readily appreciate the causes which brought about the crisis in question. In 1797 the English Government suspended specie payment, and during the twenty years which followed, a large volume of paper money was placed in circulation, not only by the Bank of England, but by numerous country banks. Gold went to a premium and a period of speculation and inflation followed which in its duration and magnitude is unparalleled in the history of the world. With a comparatively small amount of the precious metal on hand, a single gold standard was adopted and specie payments were resumed in 1819. This not only caused a sudden and great contraction in the volume of currency, but it reduced everything from inflated and fictitious valuations to a gold basis. Instead of slowly and gradually reaching a point at a future period for resumption of specie payment, as was the case in the United States following the great Civil War, the step was taken at once and in the midst of extravagance, speculation and high prices. While the conditions then existing were absolutely certain to result in a business crisis, and the immediate effect of the action on the part of the government was to plunge the business of the country into liquidation and place it on an entirely different basis of value, the ultimate effect was to restore stability and confidence. The financial failures and business calamities which followed the Napoleonic wars, were the natural result of over-trading and speculation which had been going on for a long time. Free traders point to the condition of business between 1813 and 1819 as an example of the injurious effects of a protective tariff. Before giving credit to the misrepresentations of free trade writers on this point, the student of tariff history should understand the causes which at that time were operating to bring distress upon the laboring classes and disasters to manufacturers and business men.

Dr. Hanna, Mr. Chalmer's biographer, in speaking of the causes of the panic of 1817, says :

*The causes
of the panic
of 1817.*

Our exports in 1814 were double those of the preceding year, and although the increase was not relatively so great the exports in 1815 exceeded in value those of 1814, by about seven millions of pounds sterling. This alluring prospect led the British merchant astray. He forgot that the resources of the Continent were necessarily limited and had been drained by war. The over-trading into which he had plunged bore its accustomed fruits. The Continental markets were glutted. English goods were selling in them lower than in this country. Heavy losses and frequent bankruptcies ensued. The pressure fell at last, and most heavily upon the laboring classes. Multitudes were thrown out of employment at the very time that the reduction of our military establishment had thrown a large number of additional hands into the labor market. To aggravate the evil, the price of bread began to rise. The autumn months of 1815 and the spring months of 1816 were most uncongenial. The crop of 1816 turned out one of the worst that had been for many years. In the course of twelve months wheat rose to double its former value, and in 1817 and 1818 the war and famine prices were once more reached, etc. ¹

¹ Fair Trade Journal, Vol. I., p. 110.

It has not been until since the adoption of free trade in 1846 that English writers have attempted to attribute this business crisis and the misfortunes which attended it to the general policy of protection. There were, however, complaints against the duties on wheat, at the time when crops had failed and prices were high. But the prosperous period which followed and the moderate prices of farm produce prevented agitation against the Corn Laws until 1839 and 1846, when the failure of the wheat crop again increased the prices.

It is unreasonable to assume that the manufacturers of Great Britain became the champions of a commercial policy, which they at that time had any reasonable grounds for believing would close their factories and be detrimental to their interests. Recent free trade writers, especially those connected with the Cobden Club, have attempted to make it appear that the free trade movement in England had its origin with a band of wise men, whom they delight in calling "thinkers," "economists," "seekers after the truth," and by many other well-known terms which give an impression that the movement was the result of deliberation and research on the part of learned men, who had discovered great scientific truths. The facts of English history show that this was not the case. The English people have always been noted for their practical common sense, and their ability to look out for their own interests, regardless of the welfare of the people of other countries. It is certainly a violent assumption to contend that a nation which for centuries had been so solicitous for the welfare of its own people, could at once be transformed into political philanthropists, and become so filled with a love for humanity in general, that they would sacrifice their own interests for the sake of others. The reason which controlled their actions must be looked for in some other direction than the one suggested.

Erroneous impression regarding the free trade movement.

What, then, were the conditions and causes which induced the English people to abandon that system of protection which they had practiced for nearly four centuries, and adopt the policy of free trade? It is by an answer to this question that the people of other countries can form a correct estimate of the merits of free trade, and judge of the effect of the application of its principles to their conditions. An examination of their aims and purposes shows that in the adoption of free trade they did not abandon the great central purpose which had been dominant among them for centuries. The policy of protection had been practiced for the purpose of building up the industries of England and making her the greatest manufacturing centre in the world. This had been accomplished. Her Navigation Laws were enacted for the purpose of securing her shippers a monopoly of the carrying trade. Foreign wars had been engaged in for the purpose of extending her domains, destroying rivals and securing foreign markets. She had, at the close of the Napoleonic wars, attained absolute supremacy as a commercial nation.

Real motive of the free trade agitation.

*British
competition
with
American
manufac-
tures.*

Her people had now reached so high a degree of proficiency in manufacturing, through their skill, capital and inventions, that they were enabled to manufacture much cheaper than any other country and, therefore, at that time needed no protection. The whole scheme was entered upon for the purpose of inducing other countries to abandon protective tariffs, and open their markets to the free admission of British wares. Free trade, then, was only a part of the policy which they had pursued for preventing other nations from becoming and remaining industrial rivals. Every means had been employed to prevent them from setting up manufactures. By the adoption of free trade in the United States, England would secure by peaceful means what she had failed to accomplish by violence.

After the American colonists had gained their independence, they immediately turned their attention to the development of domestic resources. One of the first acts of Congress provided for a system of protective tariffs, for the express purpose of encouraging the working of mines, the building of factories, and the opening of avenues for the employment of labor and the investment of capital. The efforts on the part of English manufacturers to prevent the building of factories in the New World were continued even after the people had thrown off the British yoke. The plan adopted was suddenly to inundate the United States with a vast quantity of goods and sell them so cheaply that the American manufacturer, with his small capital, would be at once ruined and thereby discouraged from continuing a struggle against the vast accumulation of wealth at the command of English manufacturers. The whole plan is set forth in the "Address of the American Society for the Encouragement of Domestic Manufactures," published in 1817, which contains the following statement :

In the beginning of the year 1792, when the report of General Hamilton, then Secretary of the Treasury, made by order of the House of Representatives, was published in England, it created such alarm that meetings were called in the manufacturing towns, and Manchester alone, at a single meeting, subscribed 50,000 pounds sterling toward a fund to be vested in English goods, and shipped to this country for the purpose of glutting our market and blasting the hopes of our manufacturers in the bud.

The American market, from this time until the breaking out of the war of 1812, was raided by this system of commercial warfare. During the war of 1812 the Embargo Act and the suspension of commercial intercourse between the two countries gave our artisans and manufacturers a brief period of absolute protection from the assaults of their commercial enemies. People hesitated to invest money in factories and business enterprises which were being constantly subjected to ruinous competition, but as soon as their own market was made secure they at once engaged in the building of factories and the employment of labor, which produced the most flourishing industrial condition that the people

of the New World had yet experienced. The example thus afforded strengthened Jefferson, Madison and others in their belief in the advantages of protection.

Upon signing the treaty of peace in 1815, commercial hostilities were renewed against the industries which had risen in the meantime. Lord Brougham, referring in 1816 to the flooding of American markets with the produce of British factories, upon the opening of our ports at the close of the war, said :

Renewed attempts to control the American market.

It is well worth while to incur loss upon the first exportation, in order, by the glut, to stifle in the cradle those rising manufactures in the United States, which the war had forced into existence, contrary to the natural course of things. Eighteen millions worth of goods, I believe, were exported to North America in one year, and for a considerable part of this no returns have been received ; while still more of it must have been selling at a very scanty profit.

This statement is corroborated by Mr. Porter, who, in speaking of the vast exports of woolen goods from Great Britain in 1815, says :

The largest export in point of value that ever took place occurred in the year 1815, when owing to the interruption of intercourse with the United States of America in the two preceding years, the quantity sent to that country was unusually great. The number of pieces exported to all parts in that year was 1,482,643, the number of yards 12,173,515, and the total value 9,381,426 pounds sterling (\$46,907,130), of which 4,378,195 pounds sterling (\$21,890,975) was sent to the United States.¹

Great Britain at the close of the Napoleonic wars.

At the close of the Napoleonic wars in 1815, the manufacturers of England, through the use of machinery, had become so far superior to those of Germany and other Continental countries, that no tariff barriers which then existed were sufficient to keep out their wares, hence the markets of the Continent were thrown open. Germany, Prussia, Belgium, Holland, and in fact the entire Continent, were made the dumping ground for the products of English factories. There was a persistent and deliberate purpose to destroy the industries of other nations. The invasion of the Continent tended to destroy and hinder the principal means by which the prosperity of the people might be restored. All of the European nations found themselves at the close of the long struggle from which they had emerged, burdened with debt, impoverished and demoralized. Their only hope of recuperation and restoration of prosperity lay in the cultivation of the industrial arts. Disturbed for years by the calamities of war, they were anxious for peace, repose and internal tranquillity, but a foe was at their doors. The invading armies of Napoleon that had laid exactions upon their cities, inflicted injuries from which they could recover ; but the tribute demanded by English manufacturers must not only constantly be drawn from their accumulations and industrial life, but was more destructive to the welfare of the people than the open military conflict which had just closed. It would not only sap the industrial vigor of the people, but

¹ Progress of the Nation, p. 169.

*Spirit of
Great
Britain's
commercial
policy.*

by an unceasing and persistent system of underselling, carried on under the guise of friendship and the banner of peace, would doom their artisans to a life of idleness and degradation, and deprive their business men of the opportunity of carrying on legitimate business enterprises in their own country.

The commercial warfare which was being waged by English manufacturers against the rising industries on the Continent and in the United States, the losses sustained and the gravity of the situation thus presented, caused a discussion in the House of Commons in which Mr. Henry Brougham (later Lord Brougham) participated. In a speech made by him on April 9, 1816, he said :

The difficulties of 1812 are fresh in the recollection of the committee, and are still working their effects in many parts of the country, although the repeal of the Orders in Council, by enabling us to export goods which were all paid for to the amount of seven or eight millions, afforded a most seasonable and important relief, and enabled capitalists to lower their stock on hand in a great proportion. That stock, however, began to increase during the unhappy continuance of the American war; and the peace, unexpectedly made, in Europe, followed by the treaty with America, soon produced an effect to which I must request the serious attention of the committee, because I believe its nature and extent are by no means well understood. After the cramped state in which the enemy's measures and our own relation (as we termed it), had kept our trade for some years, when the events of the spring of 1814 suddenly opened on the Continent, a rage for exporting goods of every kind burst forth, only to be explained by reflecting on the previous restrictions we had been laboring under, and only to be equaled (though not in extent), by some of the mercantile delusions connected with South American speculations.

The peace with America has produced somewhat of a similar effect, although I am very far from placing the vast exports which it occasioned upon the same footing with those to the European market the year before, both because ultimately the Americans will pay, which the exhausted state of the Continent renders very unlikely, and because it was well worth while to incur a loss upon the first exportation, in order, by the glut, to stifle in the cradle, those rising manufactures in the United States which the war has forced into existence, contrary to the natural course of things.¹

*Protective
policy of
Prussia.*

Upon this same subject, Henry C. Carey, quoting from Frederick List, the German economist, says :

"The Continental system of Napoleon, however, constitutes the great era in the history of German as well as of French industry; for under it commenced the forward progress of every kind of manufacture, with corresponding increase in the attention to the breeding of sheep, the production of wool, and the development of domestic commerce. On the return of peace, however," continues Mr. List, "the English, who had greatly improved their machinery, renewed their rivalry; and general ruin and distress ensued, especially in the country of the lower Rhine, which after being for some years attached to France, now lost her markets. At length, in 1818, the cry of distress could no longer be unheeded, and now a Prussian tariff gave the protection needed against that inundation of English goods, by means of which Great Britain sought to stifle in the cradle the industry of other nations. Very

¹ Brougham's Speeches, Edinburgh, 1838, Vol. 1, pp. 518-19.

moderate in its duties, this tariff had the merit of being *specific* and not *ad valorem*, thus not only preventing fraud and smuggling, but also encouraging the production of those articles of coarse manufacture, the quantity and bulk of which gives them their great importance."¹

The only means which these nations could adopt to prevent the complete annihilation of their industries, through English competition, were those taken by Germany. Protective tariffs were made absolutely necessary to the industrial life of the United States and all Continental countries. In the production of all textile fabrics to which the use of labor-saving machinery had been applied, England at this time held an absolute pre-eminence. Besides in those wares which were still made in part by hand, the superior capital of English manufacturers enabled them, by a system of underselling, to prevent their healthy and vigorous growth in the United States and some parts of Europe. The natural and inevitable result was the adoption of protective tariffs by all commercial countries. The United States adopted the tariff law of 1816, which is known as the Calhoun tariff, it having been favored by John C. Calhoun and other Southern members. Again in 1824, 1828 and 1842, tariff laws were passed by Congress, increasing the duties on imports to such an extent that England's trade with the United States was greatly injured, although the policy was somewhat modified by the compromise measure of 1833, and lower duties prevailed up to 1842, when the more vigorous protective policy was restored. Notwithstanding the modifications of 1833, from 1842 to 1846 the system of protection was the policy of this country. The rising industries of the United States, under the fostering care of such legislation, stood as a constant menace to the English manufacturers. Population was steadily increasing, the markets becoming larger and more valuable.

Other countries forced to adopt protection.

In 1818 Prussia increased her duties on imports. At this time a movement was set on foot to unite all the German states together, for mutual protection. The Zollverein, or German customs union, was perfected by 1833, and the vast territory which now forms the German Empire was welded together with custom houses on the frontier to guard their industries. This was a severe blow aimed at English manufacturers, who saw here an industrious and enterprising people, with vast resources, and having every facility for engaging in manufacturing, close their markets to English goods.

The Zollverein.

Russia, suffering from the same injuries inflicted on her industries by English competition, was compelled in 1822, to return to the policy of protection, which under the advice of a disciple of free trade had been abandoned in 1818. Count Nesselrode, the Prime Minister of Russia, in recommending the adoption of protection, stated in an official communication that "Russia sees herself compelled by circumstances to adopt an

Protective policy of Russia.

¹ Social Science, p. 237.

independent industrial system. The products of the empire find no access to foreign markets ; domestic manufactures are either ruined or on the point of ruin ; all the moneys of the empire flow abroad ; and the most solid business houses are on the brink of failure." From this time on vigorous measures were taken by the Russian Government to develop the resources of its vast empire, and to make its people independent of England for manufactured articles. The policy entered upon at this time, continued until 1857, when after a short and bitter experience with low duties, more vigorous protective laws were enacted than ever before.

*Belgium,
Holland
and Spain.*

A revolt against British competition sooner or later arose in every commercial nation. Belgium and Holland stood out longer than Germany, Russia or the United States. They waited, however, until their people had been reduced to a most distressful condition, when protective measures were resorted to, as the only means of reviving their decaying industries. Belgium established the protective policy in 1844, and Holland in 1845. In the latter year Spain increased her import duties and took steps toward building up a system of manufactures, while Portugal became a protective country in 1837, and increased its duties in 1841.

*England's
commercial
supremacy
threatened.*

This was the condition confronting England during the first half of the nineteenth century. She now saw rival manufactures rising in every commercial country, shielded from attack by protective tariff walls. She saw the industrial centres of Europe enter upon a policy under which they could not only supply themselves with their own clothing and implements, but which ultimately would enable them to contend for supremacy in neutral markets. The example which England had set during a period of three centuries, of giving encouragement and protection to her own citizens against foreign rivals, was being vigorously urged in all countries in favor of a similar policy. England was thus in danger of losing those foreign markets, while under a system of free trade she would have no difficulty in controlling them.

That this condition played a great part in influencing the action of the English people in 1846, when free trade was adopted, appears from the following statement contained in a book put out by the Anti-Corn League in 1854, giving a history of the free trade movement :

In Saxony, Bavaria, Wurtemberg, the Rhenish provinces of Prussia, as well as Russia and Switzerland, factories had been erected, filled with British machinery, and often placed under the oversight of an experienced workman from this country, and every exertion made, under the shelter of protective imposts, to drive us from the markets of the Continent. Our skilled artisans were to be found in the United States, in Brazil, in the neighborhood of Constantinople and St. Petersburg, everywhere teaching the foreigner to render himself independent.¹

*British
view of the
matter.*

As early as 1820 England's trade in its relation to the markets of other countries had assumed an aspect which alarmed the merchants and

¹ Charter of Nations, pp. 50, 51 and 53.

manufacturers of London. With constantly increasing capacity for production, they saw the richest and most desirable markets of the world being closed to the admission of their goods, and rival industries rising that in time would prove troublesome competitors in neutral markets. The productive powers of the twenty millions of people at this time, especially in the textile industries, had doubled within the past twenty-five years, and such rapid progress was being made that the limits to their future ability to produce fabrics could not be comprehended. This was a situation which hitherto had not been presented to the English people. At this time a petition was presented to parliament by Mr. Baring, signed by the merchants and manufacturers of London.¹ It was drafted by Mr. Thomas Tooke, the able author of the "History of Prices." This document is frequently referred to by free-trade writers as evidence of the advance in sound economic thinking on the part of the English people. It contains, however, several statements which throw much light on the causes which were then operating to convince the English people that a change of policy would be for their interest.

The statements in the petition upon this point are as follows :

(1) "*That foreign commerce is eminently conducive to the wealth and prosperity of a country by enabling it to import the commodities for the production of which the soil, climate, capital and industry of other countries are best calculated, and to export, in payment, those articles for which its own situation is better adapted.*"

This declaration that "foreign commerce is eminently conducive to the wealth and prosperity of a country," was of peculiar significance and importance to Great Britain. The reader should bear in mind that this petition recommended a policy which was believed to be for the benefit of England and suited to her condition. The men who presented it were at the time engaged in a struggle to supplant manufactures which were then rising in the United States and on the Continent. So this declaration should be interpreted in the light of the circumstances and situation of the case. It simply meant that foreign trade was of the highest importance to England. No one has ever yet disputed this proposition. As long as any country can exchange its own domestic productions with other countries for those products, the like of which cannot be raised at home, it is engaging in a class of foreign trade which is necessary and profitable. A controversy arises only when a nation imports articles which might be produced by its own labor, thus sacrificing domestic industries. The petitioners well knew that the great manufacturing interests of England were beyond the reach of injurious competition, and hence it was not contemplated that *manufactured* goods should be brought in from foreign parts. The specific declaration which follows, simply meant that England should import those products of other countries which they could produce

*True
import of
Great
Britain's
praise of
foreign
commerce.*

¹ McCulloch's Commercial Dictionary, p. 384.

*Economic
laws not
absolute
but rela-
tive.*

more cheaply and by nature were especially adapted to cultivate, while England should furnish in return manufactured articles. This brings us to a consideration of the precise situation of English trade and industries in their relation to other countries. This declaration is worthy of a more extended consideration from the fact that it forms the basis of an important element in the theory of free trade. Protectionists, however, restrict its application to certain conditions, while the English free trader urges its universal adaptation to all countries and all conditions. The circumstances under which the Phœnicians, Carthaginians, Venetians and Dutch put to sea and extensively engaged in foreign trade have already been pointed out. That it was beneficial and profitable, as it was also necessary, that the English people should direct a large part of their energy and capital to foreign commerce, is conceded by all. But simply because their condition was adapted to this branch of enterprise furnishes no reason why it would be equally profitable and beneficial for other countries, differently situated, to adopt the same policy. The best economic thought of the world to-day, regardless of views upon the wisdom of free trade or protection as applied to different countries and conditions, repudiates the universality of the alleged economic principles of free trade. It is universally accepted at the present time that there are no ready-made, iron-bound systems of political economy for industrial development, taxation or finance which apply to all people, all countries and all conditions alike. The capabilities of a people, geographical situation, natural resources and products of soil and climate, must all be considered in determining whether free trade or protection should be adopted. Protection is never resorted to by any country unless its economic conditions make it necessary. The welfare of one country may best be promoted through extensive foreign trade. The highest development of another may require a combination of home and foreign trade quite evenly balanced, its foreign trade being necessary in order to promote diversified industries and division of labor at home; while still another may be so situated that by domestic trade alone it will reach the very highest industrial development, and its foreign trade will remain of secondary consideration.

Cuba.

Cuba, for instance, presents conditions different from those of almost any other locality. Having neither coal, iron, flax, hemp, jute, unable to raise wheat and the larger cereals, with a climate too hot for cattle raising, for manufacturing, or in fact, for any industrial enterprises which require excessive physical exertion, she must adopt an entirely different commercial policy from that of the United States or Great Britain. In the raising of sugar, tobacco and tropical fruits, for which little human effort is necessary, she is unsurpassed by any locality on the globe. The production of these commodities so favored by nature undoubtedly affords the most fruitful field for the enterprise and exertion of her people. By the exchange of these commodities all of their wants can be supplied.

Russia and the United States present still another phase of economic conditions. Including within their domains temperate and semi-tropical regions capable of producing almost every species of food supplies and agricultural products, possessed of soil and climate suitable to the growth of cotton, flax, hemp, jute and nearly all vegetable fibres, with vast ranges for sheep and an abundance of iron, copper, lead, coal and petroleum, together with inexhaustible supplies of timber, water power, and nearly every facility for carrying on all branches of mining, manufacturing and agricultural industries, they are almost independent of other countries and capable of living within themselves. It is to domestic industries and home trade, that these people must look for their chief source of wealth and means of reaching the greatest prosperity and highest industrial development. A surplus of many things can easily be produced and given in exchange for tea, coffee, spices, tropical fruits, dye stuffs, raw silk, rubber and all those luxuries and products of other countries which they need. Foreign exchanges must be confined to a limited number of articles in order to give employment to their people at home in the development of their native resources. Extensive foreign trade cannot be engaged in without neglecting the domestic production of those wares and commodities for which their resources and people are well adapted. Their skillful, enterprising and ambitious people can find the greatest reward for their exertions in the vast inland trade and the diversified system of native industries. The wealth and prosperity of the United States cannot be measured by the comparatively small amount of foreign exchanges which are made necessary.

Russia and the United States.

Whether we view England at the present time or go back to 1820, we find conditions of an entirely different nature. The whole United Kingdom, England, Ireland and Scotland, contains 121,230 square miles of territory, no more than some single States or Territories of the United States. Upon this small area in 1820, there was a population of 21,302,395, who were compelled by soil and climate to depend on the produce of other countries, not only for a large portion of their food supplies, but for nearly all of the raw materials for their factories. They could not be maintained within their own country, but must necessarily draw a great part of their means of subsistence from remote regions. Located in the centre of the world's markets, at the very door of the most highly civilized and densely populated regions of Europe, through her vast shipping and means of ocean transportation, she had already a complete monopoly of the carrying trade of the world. With trade relations extending to her colonies and foreign possessions, a vast commerce was controlled. For nearly two centuries the energies of her people had been exerted in this direction, with increasing profits and accumulations of wealth. The very existence of her manufactures depended upon the foreign trade. Raw cotton must be imported, but it could be brought from India or South

Different condition of Great Britain—Importance to her of foreign trade.

Carolina and delivered to her cotton manufacturers as cheaply as it could be carried from Charleston to New England. An increasing expansion of her woollen industries required a reliance on wool grown in Australia and other parts. Her silk factories must be provided with raw material from Southern Europe and Asia. Flax, hemp, jute, dye stuffs, hides, rubber, tin, lead, copper, and in fact nearly all raw materials, must be imported. In food supplies she must also buy in foreign countries tea, coffee, sugar, spices, rice, tropical fruits, wines, liquors, tobacco, and other food products. Even the timber, masts, spars, tar, pitch and other material for ship building, had been brought into the country for over a century. The English people were compelled to depend upon the purchase of these articles for their development and commercial prosperity. Like the Venetians and Dutch, not by choice, but from necessity, they became fishermen and mariners.

*Great
Britain's
facilities
for manu-
factures.*

On the other hand they were in many respects well fitted for engaging in manufacturing and foreign commerce. With a plentiful supply of stone, lime, slate, clay, and various earths used in making glass and earthenware, with splendid water power, and an inexhaustible supply of coal and iron; with an abundance of surplus capital, the accumulation of centuries; in advance of all other nations in the application of machinery and steam power, and with a dense population of trained and skilled artisans, they were able not only to supply all home demands for manufactured articles, but were constantly producing a vast surplus which must be sold in foreign markets, or perish on their hands. The geographical situation of the inland districts has also been pointed out as an advantage in transportation, each manufacturing centre being only a few miles from a seaport. Thus situated, without foreign trade the English people would perish from the face of the earth, or be driven to other regions to find employment. In order to subsist, they must be kept at work. Raw materials must be imported, manufactured into finished products, and in finished form exchanged for a new supply of raw materials and food. In this way, by a system of foreign exchanges, their industrial life is perpetuated. Foreign trade at this time was the great source of their wealth, enterprise and progress.

With the foregoing considerations the reader will readily appreciate the proposition quoted from the petition. While a certain class of foreign trade might be especially beneficial to Cuba or England, it would inflict an absolute injury upon a country whose industries were unable to withstand competition. Free trade writers refer to this part of the petition as though it announced fundamental truths which had just been discovered. It contained nothing that had not been well understood for at least a century by the English manufacturers and merchants.

This remarkable petition contains another statement which throws much light upon the situation of the English people at this time. It

exposes the whole free trade movement, and discloses the condition under which the English manufacturers favored the removal of protective duties on manufactured goods. It would be unreasonable to assume that English manufacturers abandoned the protective system upon high moral grounds or because of any scientific notions or regard for great economic truths. At no time have they shown the slightest regard for the welfare of the people of other countries. Every step in the free trade movement, from its inception to its close, was promoted by that inordinate selfishness, that spirit of greed and avarice which has always characterized the commercial classes of the country. That protection was abandoned because the English people were able then to manufacture goods more cheaply than they could be made in any other place, is proven not only by their condition, but by their own statement and claims made at the time.

*Free trade
policy
prompted
by self-
interest.*

Upon this proposition the attention of the reader is first called to another paragraph of the petition, which contains this remarkable statement:

(2) "*That of the numerous protective and prohibitory duties of our commercial code, it may be proved, that, . . . very few are of any ultimate benefit to the classes in whose favor they were originally instituted.*"

The reader should bear in mind that this declaration emanates from the merchants and manufacturers of London; that it was drafted by Mr. Tooke, one of the most competent authorities upon commercial subjects then living. This shows that England even then had outgrown protection. Her artisans and manufacturers had attained such efficiency and skill that they held an absolute monopoly of their home market. They were able to undersell all competitors. They feared no rivals either at home or abroad.

*Industrial
greatness
attained
under
protection.*

The invention of machinery and the accumulation of capital had made them so superior to the industrial classes of every other country, that with minor exceptions they could throw down the bars and defy all competitors without a single English factory's being closed or an English artisan's being thrown out of employment. This is a most signal proof of the value of protection. Modern free traders persistently urge that protection brings into existence weak and sickly industries. It seems, however, that it had the opposite effect in England, whose industries, under its beneficent influence, reached such a high degree of perfection that they became the strongest in the world.

From 1820 to 1846 the perfection of machinery and expansion of industries went steadily on, and at the time protective tariffs were finally removed, their industries must have been more independent of foreign competition than they were in 1820. J. R. McCulloch writing in 1847 furnishes stronger evidence upon this proposition than the declaration cited above. He says:

The natural capabilities we possess for carrying on the business of manufacturing are, all things considered, decidedly superior to those of any other people.

*England
ready for
free compe-
tition.*

But the superiority to which we have already arrived is, perhaps, the greatest advantage in our favor. Our master manufacturers, engineers and artisans are more intelligent, skillful and enterprising than those of any other country; and the extraordinary inventions they have already made, and their familiarity with all the principles and details of the business, will not only enable them to perfect the processes already in use, but can hardly fail to lead to the discovery of others. Our establishments for spinning, weaving, printing, bleaching, etc., are infinitely more complete and perfect than any that exist elsewhere; the division of labor in them is carried to an incomparably greater extent; the workmen are trained from infancy to industrious habits, and have attained that peculiar dexterity and sleight of hand in the performance of their separate tasks, that can only be acquired by long and unremitting application to the same employment. Why, then, having all these advantages on our side, should we not keep the start we have already gained? Every other people that attempt to set up manufactures must obviously labor under the greatest difficulties as compared with us. Their establishments cannot, at first, be sufficiently large to enable the division of employments to be carried to any considerable extent, at the same time that expertness in manipulation, and in the details of the various processes, can only be attained by slow degrees. It appears, therefore, reasonable to conclude that such new beginners, having to withstand the competition of those who have already arrived at a very high degree of perfection in the art, *must be immediately driven out of every market equally accessible to both parties; and that nothing but the aid derived from restrictive regulations and prohibitions will be effectual to prevent the total destruction of their establishments in the countries where they are set up.*

*Impotence
of foreign
rivals.*

Speaking of the ability of the people of the United States to resist their competition, he says :

It is ludicrous, indeed, to suppose that a half-peopled country, like America, possessed of boundless tracts of unoccupied land of the highest degree of fertility, should be able successfully to contend in manufacturing industry with an old settled, fully peopled and very rich country, like Great Britain. Little as we have to fear from America, we have still less to fear from Swiss or Saxon competition. America has some advantage over England in the greater cheapness of the raw material; but Switzerland and Saxony, situated almost in the centre of Europe, can only draw their supplies of raw cotton by a distant land carriage by way of Hamburg, Marseilles and Genoa; and we have the best authority for affirming that a bale of cotton may be conveyed at a less expense from Charleston to Manchester, than from Genoa, Amsterdam or Hamburg, to Switzerland or Saxony. Switzerland is altogether destitute of coal; all that she does is done by water power; and that is said to be nearly exhausted. It is not, however, to be wondered at that the Swiss and Saxons should have succeeded in supplying their own markets and some of those immediately contiguous, with certain species of yarn; or that they should export hosiery and such other articles as they can manufacture on a small scale, in their cottages; but it is idle to suppose that they should ever be able to do much more than this.¹

Again he says:

Our power looms are superior to those of any other country. There is not in fact, with the exception of the dyes a single particular connected with the cotton manufacture in which we have not a manifest superiority over the Swiss, Saxon, French, Prussians and every Continental nation.

¹ McCulloch's Commercial Dictionary, pp. 462-3.

The year before free trade was adopted (1845) Mr. Porter said:

England is, beyond all other countries, interested in the most perfect freedom being given to this as well as to every other branch of commerce. Placed beyond all comparison at the head of civilization as regards manufacturing skill, with capital far more ample than that possessed by any other people, with cheap and inexhaustible supplies of iron and fuel, and with institutions every way favorable to the utmost development of the industry and ingenuity of her citizens, she must always be able at least to maintain her superiority of position where circumstances are in other respects equal; and be ready to turn to the utmost advantage every improvement which may reach her in common with less powerful rivals.¹

It was under these circumstances that the free trade movement was started. It was fully understood that the English people had everything to gain and absolutely nothing to lose by its adoption. The removal of duties on manufactured goods extended no concessions or advantages to foreign manufacturers in British markets. The repeal of protective laws by the United States and other countries would result in an almost unlimited expansion of England's trade, thus conferring upon her an absolute monopoly of the markets of all countries. Under free trade in England manufacturers and artisans were as secure from assault as under protection, while the very reverse of this was true in the United States, and other countries. As stated by Mr. McCulloch, "Nothing but the aid derived from restrictive regulations (protection) would prevent the total destruction of their establishment." Similar statements might be quoted from other English writers at the time, to sustain this position, but cumulative evidence will not strengthen a fact already proven.

*Induce-
ments to
free trade.*

In the light of subsequent events, a third statement contained in the petition of 1820 becomes very interesting. The United States and the Continent intrenched behind the walls of protection were enjoying a prosperity which was most galling to English manufacturers. The war of 1812 had been very unfortunate for England in the animosities and prejudices which it aroused. The spirit of enmity and hatred which had existed among the French against the English for centuries was intensified by the Napoleonic wars. National jealousies, which were then dominant among all Continental powers, made pacific measures and treaties difficult. The signers of this petition well knew that nothing short of a most unusual course would make the slightest impression upon foreign countries. The great question in England was not the perpetuation of their own industries by protection, but how to get rid of protective tariffs in the United States and other countries, which alone stood in the way of an almost unlimited sale of their wares. This was the great evil from which they were suffering. The restrictions on their commerce, of which they complained, were on the statute books of other nations. The custom house officers, who so exasperated them and against whom they railed with

*Protective
policy of
foreign
countries
a menace
to Great
Britain.*

¹ Progress of the Nation, p. 263.

How induce foreign countries to abandon protection?

such bitterness, were collecting duties on English goods imported into other countries. Their invectives, ridicule and sarcasm were hurled against a system which had become injurious to their trade only by being practiced by their rivals. It was under these circumstances that the entire British press, their orators, statesmen, professors and manufacturers entered upon a raid against the policy of protection. What specific could be applied to the condition? Foreign tariffs alone stood in their way. The remedy must be their modification or abolishment. The people of the United States must be convinced that protection to native industries was radically and totally wrong; that it was an unwise policy for any people to pursue under any and all circumstances. A campaign of education must be carried on in foreign countries. They had always been sensible of the fact that the building of factories in the United States and other countries was in conflict with their interests, but it was not until after the battle of Waterloo that they set up the claim that protective tariffs were unwise and harmful. Step by step they had advanced in those discoveries and improvements, which increased their ability to outstrip and undersell all competitors. At the cannon's mouth they had swept the merchant vessels of all rivals from the sea, annihilated their commerce, and taken possession of their markets. They could not batter down protective walls with shot and shell. They could not remove protective barriers at the point of the bayonet. They must resort to other means. There is another thing of vital importance which they could not do. They could not satisfy the people of other nations that the policy of protection was unwise, so long as they maintained it themselves. They must first abandon protection before they could consistently denounce it as an evil. The literature of the times, the debates in parliament, the declarations of their manufacturers and economic writers, all prove the fact that the chief reason for abandoning protection was the influence such action would have upon other countries. It would destroy one of the chief arguments which was being used against them. Upon this proposition the attention of the reader is again called to the petition of the merchants and manufacturers of London, which contained the following statement:

Great Britain must set the example of free trade.

(3) *That a declaration against the anti-commercial principles of our restrictive system is of the more importance at the present juncture, inasmuch as, in several instances of recent occurrence, the merchants and manufacturers of foreign countries have assailed their respective governments with applications for further protective or prohibitory duties and regulations, urging the example and authority of this country against which they are almost exclusively directed, as a sanction for the policy of such measures. And certainty, if the reasoning upon which our restrictions have been defended is worth anything, it will apply in behalf of the regulations of foreign States against us.*

That nothing would tend more to counteract the commercial hostility of foreign States, than the adoption of a more enlightened and more conciliatory policy on the part of this country.

The foregoing declaration is sufficient of itself to show that the removal of protective duties was a mere matter of diplomacy and was not asked for because of themselves they in any way obstructed or interfered with England's foreign trade. It was simply to put themselves in a situation to accomplish their purpose more easily. The utter disregard for economic principles is revealed in the next paragraph as follows :

(4) *That although, as a matter of mere diplomacy, it may sometimes answer to hold the removal of particular prohibitions, or high duties, as depending upon corresponding concessions by other States in our favor, it does not follow that we should maintain our restrictions in cases where the desired concessions on their part cannot be obtained. Our restrictions would not be less prejudicial to our own capital and industry, because other governments persist in preserving impolitic regulations.*

"A matter of mere diplomacy."

Although Mr. Thomas Tooke, the author of this paragraph, is held up before the world as a model economist, the plan suggested is so discreditable that it has since been a subject of apology by the English writers. The attempt to overreach other nations and destroy their industries by treaty stipulations in which England would gain everything and surrender nothing, while the other contracting party would yield important advantages and lose everything, constitutes the basis of reciprocity as it first suggested itself to English traders. But the pretence of holding a club over the heads of other nations, with the design of forcing them to terms, proved a complete failure. The more surprising feature is the fact that this disingenuous diplomacy was actually attempted.

Mr. Porter, speaking of this paragraph, and the efforts of the English spider to induce the foreign fly to come into his parlor, says : "From some cause or other, probably the misconception of our motive, or the fear of being overreached, it has generally happened that it has been thought unwise to grant the price we have demanded for the alteration."¹

The prayer for relief contained in the petition, outlines the general plan which was subsequently adopted, and has since been adhered to, as follows :

(5) That in thus declaring, as your petitioners do, their conviction of the impolicy and injustice of the restrictive system, and in desiring every practical relaxation of it, they have in view only such parts of it as are not connected, or are only subordinately so, with the public revenue. As long as the necessity for the present amount of revenue subsists, your petitioners cannot expect so important a branch of it as the customs to be given up, nor to be materially diminished unless some substitute, less objectionable, be suggested. But it is against every restrictive regulation of trade not essential to the revenue—against all duties merely protective from foreign competition—and against the excess of such duties as are partly for the purpose of revenue, and partly for that of protection—that the prayer of the present petition is respectfully submitted to the wisdom of Parliament.

The petition.

Your petitioners, therefore, humbly pray that your honorable House will be pleased to take the subject into consideration, and to adopt such measures as may

¹ Progress of the Nation, p. 385.

be calculated to give greater freedom to foreign commerce, and thereby to increase the resources of the States.

The action taken by the signers of this petition, was the first organized movement toward the adoption of free trade in England. Although it did not at that time assume the form of specific agitation, or go beyond the presentation of the petition, yet it undoubtedly played an important part in arousing English manufacturers and ship owners, and pointed out the remedy, or best means of attacking the barriers which were raised against English trade in foreign markets. It was not, however, until 1839 that a free trade party was organized and definite agitation of the question began. In the mean time, however, foreign tariffs were a constant thorn in the side of the English manufacturers, and as English factories increased, as machinery became more perfected, artisans more efficient, and yearly outputs greater, the necessity for breaking down the tariffs of other countries and finding a sale for English goods, became more pressing.

*Protection
continued.*

The petition of the London merchants was soon followed by a reform of the tariff laws. Although the petition was presented to a parliament made up almost wholly of protectionists, the efforts of Mr. Baring and his associates, undoubtedly hastened action. The situation was such that a revision was not only needed, but could be made without in the slightest degree disturbing the essential principles of protection. The benefits to be derived from certain changes were recognized and concurred in by nearly all members of parliament. Successive revisions of the tariff were made between 1815 and 1843, the more important measures being the acts of 1824 and 1825, and that of 1842. The free trade agitation was not begun until the organization of the Anti-Corn Law League, which occurred in 1839, and there was no departure from the principles of protection until 1846, when a parliament which had been elected as protectionist was converted into a majority for free trade. It should be borne in mind that all the tariff legislation and revisions up to and including the act of 1842, were carried through parliaments, which were avowedly protectionist. The purpose of such legislation was to simplify the laws then in force, and to aid manufacturing interests, without abandoning the policy under which England had become the greatest commercial country in the world.

*Reduction
of duties.*

It is unnecessary to review in detail, the numerous acts which, during this time, had in one way or another modified or improved the tariff regulations. They consisted, however, in reducing the duties on manufactured articles, as well as on raw materials. In 1824 the law which had been in existence since 1765 prohibiting the import of manufactures of silk was repealed and a protective duty substituted, equivalent to thirty per cent *ad valorem*. The duties upon raw and thrown silk were also reduced, but these provisions did not take effect until 1826. This measure was carried through parliament under the leadership of Mr. Huskisson, who at that

time was the secretary of the Board of Trade. He was assisted by Can-ning, Robinson, Wallace and Sir Robert Peel, all of whom entertained liberal views upon the question. Mr. Huskisson's death, which occurred in 1830, undoubtedly deprived the manufacturers of the services of a statesman, who, if he had lived, would have become an advocate of the doctrine of free trade. In 1825 a general measure was proposed by Mr. Huskisson, which greatly reduced duties on raw materials, and finished goods. For the next fifteen years, the attention of parliament was given to the Reform Act, the abolition of slavery, and Catholic emancipation. Harvests were generally good, the industries were in a flourishing state and the country was prosperous. In 1840 the tariff was again taken up for consideration, and a committee was appointed by parliament to inquire into, and report upon, the condition and nature of the duties and tariff laws then in force. The work was accomplished principally by Mr. Joseph Hume, assisted by G. R. Porter and John Macgregor, all experts connected with the Board of Trade, or the statistical department of the government. From the report of this committee it appears that the duties then existing on the statute books, had already been reduced to a very moderate protective basis. Although the statutes contained many useless provisions and had brought into effect a complicated system of collecting import duties, the objectionable features could easily be remedied by a more simple and business-like system of administration, without conflicting with the principles either of protection or free trade. The embarrassing features of the law are pointed out in the report of the committee as follows: "The tariff of the United Kingdom presents neither congruity nor unity of purpose; no general principles seem to have been applied. The schedule of custom duties enumerated no fewer than eleven hundred and fifty different rates of duty, chargeable to imported articles."

*Protective
duties in
1840.*

As will appear later, a large portion of these articles had ceased entirely to yield any revenue to speak of, either because the duties were so low, or because the English manufacturer held such a complete monopoly of the home market that none were imported. The duties on manufactured goods, then in existence (1840), as shown by the report of this committee, were as follows:

¹ The duty on manufactures of china and porcelain ware	
was	15 to 20 per cent
The duty on manufactures of leather	20 to 30 per cent
" " " " brass and copper	25 to 30 per cent
" " " " cotton	10 to 20 per cent
" " " " flax	20 to 40 per cent
" " " articles manufactured from skins and furs	30 per cent
The duty on corn, as prices ranged	7 to 50 per cent
" " " bar iron	\$7.50 a ton

¹ The Tariff Question, Bigelow, p. 4.

No article had as yet been placed on the free list. The duties in existence, not only afforded ample protection, but in fact, in most instances, so far as the question of protection is concerned, were then considered to be unnecessary. Although the duties on textile fabrics were very low, with the exception of silks, none were imported.

Duties reduced by protectionists.

The advantages in this respect to which England had attained, as early as 1825, were strongly stated by Mr. Huskisson in his speech of March 25 of that year. In regard to cotton manufactures, the English, he said, were acknowledged to be superior to every other nation, and, by reason of better quality and greater cheapness, were underselling their competitors in all the markets of the world, not excepting the East Indies, the first seat of that manufacture, where the raw material is grown, and where labor is cheaper than in any other country.¹

Mr. Porter says, "Such duties must long ago have become wholly inoperative through the perfection and economy which had been attained in our manufactures."²

YEAR.	Increase of Revenue from Direct Taxes Imposed since 1815. Net Amount.	Revenue Lost by Indirect Taxes Repealed since 1815. Net Amount.	National Debt in Each Year.	Revenue Yearly.
1814			\$3,764,286,180	\$355,672,515
1815	\$2,119,685	\$1,113,745	4,081,559,700	361,052,560
1816	1,600,290	16,143,960	3,981,000,980	311,322,730
1817	39,955	182,475	3,883,712,015	260,279,565
1818	6,680	47,820	3,959,336,570	268,738,975
1819	15,474,510	3,529,230	3,974,902,400	263,244,235
1820	598,010	20,000	4,007,826,550	271,414,790
1821	213,210	2,356,545	3,976,563,835	279,170,960
1822		10,695,505	3,982,650,720	278,318,250
1823	92,980	20,251,250	3,958,508,060	289,864,995
1824	228,025	8,523,620	3,905,616,110	296,812,015
1825	215,000	18,197,755	3,890,641,325	286,369,345
1826	940,000	9,869,060	3,919,008,695	274,474,945
1827	107,010	20,190	3,887,384,450	274,662,590
1828	9,830	259,990	3,861,612,700	275,935,710
1829		632,030	3,856,259,660	253,933,010
1830	3,480,020	20,469,775	3,787,434,985	280,283,080
1831	3,137,930	7,992,680	3,770,502,745	232,132,230
1832	222,630	3,736,320	3,758,294,415	234,943,775
1833		7,634,570	3,718,376,145	231,356,630
1834	991,970	10,457,580	3,758,294,415	232,126,315
1835	375	829,085	3,718,376,495	229,466,845
1836		4,948,930	3,792,749,330	242,955,900
1837	19,955	1,170	3,807,112,950	252,963,265
1838	500	1,445	3,811,375,940	256,394,640
1839	8,665	316,290	3,806,738,450	260,291,745
1840	10,778,365	94,795	3,832,708,400	258,467,550
1841		135,880	3,831,858,625	261,577,165
1842		14,185,000	3,871,599,565	255,600,200
1843	27,000,000		3,865,341,700	284,675,110
	\$67,285,595	\$162,656,695 67,285,595		

³ Revenue reduced, ... \$95,371,100

¹ Hansard, Vol. 12, 2d series, p. 1196, quoted in *The Tariff Question*, p. 6. ² *Progress of the Nation*, p. 500. ³ From a compilation made by Archibald Alison from official papers from the English Government, in 1845, and published as an appendix to his "England in 1815 and 1845."

The very liberal reductions in duties which had been made by the protectionists between 1815 and 1840, are shown by the above table, from which it appears that there had been lost by repealing duties on imports \$162,656,695 during this period. The interest on the national debt was so large, and the necessity for revenue so great, that parliament was compelled not only to retain many of the duties which would otherwise have been repealed but to resort to direct taxes, from which \$67,285,595 were derived in order to compensate for the loss caused by the revisions which had been made. Nearly the whole of this \$162,656,695 reduction of revenue was caused by the repeal of duties on raw materials, the amount of imports of manufactured goods being small throughout this period.

An impression has been created to the effect that when the Anti-Corn Law League was organized, the customs tariffs of England were greatly in need of reform. Mr. Mongredien said that, "With the exception of a few slight changes in the silk duties introduced by Mr. Huskisson in 1823, the English tariff had till now (1841) remained in the same old barbarous state."¹

*Attempts
of free
traders to
cast dis-
credit on
the tariff
laws of
Great
Britain.*

This is the declaration of Mr. Mongredien in describing the situation of the tariff at the time the Anti-Corn Law League began its work. This is a sample of the misrepresentations as to the tariff laws of England at that time so frequently indulged in by free trade writers. Mongredien will be remembered as the member of the Cobden Club, who, in 1880, wrote a scandalous misrepresentation entitled "An Address to the Western Farmer of America," which was gratuitously distributed by the Cobden Club throughout the United States during the Congressional election of 1882. Every reader of free trade literature well understands the deliberate effort which has been made by free trade writers to discredit the tariff laws of England, and to create an impression that the free trade movement in England was made a necessity because of the most "burdensome," "oppressive," "arbitrary," "unjust," and "barbarous" laws then on the English statute books.

While it is true that there were many objectionable features in its tariff schedules as they existed in 1839, yet they did not involve those principles which divide protectionists and free traders. The administrative features of the laws were "burdensome," "arbitrary," and "oppressive." The same article in many instances was classified under different heads, subjected to different rates of duties and so described that it was difficult for custom house officers to determine to what class it belonged. Under the numerous acts of parliament imposing duties through the many years which had elapsed, many inconsistencies had arisen which made the laws difficult to understand and to enforce. That a revision was necessary to simplify the tariff code is undoubtedly true, but it is unjust to condemn

¹ History of Free Trade, p. 65.

the policy of protection to home industries because of those administrative features which could be improved without in any way violating the cardinal principles of the system. Such criticisms are made by the professional free trade writers in order to cast discredit upon a system which they are seeking by every means possible to bring into disrepute.

CHAPTER II.

FREE TRADE LEGISLATION.

Before considering the subsequent legislation of 1842, and the Acts of 1845 and 1846, it may be well to point out some of the general features of the regulations then in existence, and show how they affected the various industries of the country.

Every government, whether practicing protection or free trade, derives at least a part of its revenues from duties on imports. A free trade country maintains its custom houses and enacts tariff laws, solely for revenue purposes, while a country practicing protection has a double purpose in view : first, to provide an income for the government, and secondly, to shield its domestic industries from foreign competition. The custom tariffs of Great Britain at this time were divided into two general branches :

1. Duties levied for the purpose of raising revenue.
2. Duties levied for the purpose of protection.

For purposes of revenue, duties were imposed on two classes of articles, as follows :

1. Upon those food products, the like of which could not be produced in Great Britain, such as tea, coffee, sugar, rice, cocoa, spices, lemons, oranges and tropical fruits ; also on ale, beer, wines, liquors, tobacco, diamonds and other luxuries. Commodities of this class were regarded by both protectionists and free traders as proper objects of taxation. The large income which it was necessary for the English government to raise each year forbade those distinctions which have since been made by protectionists in other countries, between those commodities like tea, coffee, sugar, etc., which have now become articles of involuntary consumption, and beer, wine, liquors, tobacco, etc., which are concededly luxuries.

*Revenue
tariffs.*

2. The second class of articles upon which duties were imposed solely for the purpose of raising revenue, were those raw materials which could not be produced at home in sufficient quantities to supply the demand of their factories. At the close of the Napoleonic wars every conceivable article of this class was a subject of taxation. During the struggle new import duties had been imposed or existing duties increased upon raw silk, cotton, wool, hemp, jute, flax, rubber, dye stuffs, timber and materials for ship building. In fact, the exigencies of the war had made it necessary to subject to taxation every conceivable species of property and branch of industry. The monopoly held by the British manufacturers

*Duties on
raw ma-
terials that
could not be
produced
at home.*

*Protective
policy
opposed to
duties on
this class
of articles.*

during the Napoleonic wars was so complete that the duties on these raw materials did not conflict with their ability to control foreign markets and extend their trade ; but when the United States and Continental countries imposed protective barriers, the question of cheapness became so important to English manufacturers in competing with rivals in those countries where protective tariffs had been set up, that the greatest economy in production became necessary. As soon, however, as the necessities of the government would permit, protectionists and free traders united in placing them on the free list, and giving to English manufacturers the full advantage of their cheapness. Neither protectionists nor free traders, in England or in any other country, have ever placed duties on this class of articles, excepting for revenue purposes and under circumstances which required a resort to extraordinary means of taxation. The policy of protection in England prior to the Napoleonic wars, gave every encouragement possible to home manufacturers, both by shielding them from competition, and by admitting those raw materials which could not be produced in England, either free or by the payment of low duties. By the legislation of Walpole, in 1721, thirty-eight articles of raw materials were placed on the free list.¹

Even bounties were offered to encourage the import of spars, masts, pitch, tar, and other materials for ship building, from the colonies. The only justification for departing from this policy was the revenue necessities occasioned by the long struggle between 1793 and 1815, and the burdensome debt which hung over the English people after its close. The advocates of free trade have constantly paraded before the world this feature of the tariff laws of England as being "unjust," "arbitrary," "burdensome" and "unscientific," and claim great credit for wiping from the statute books such hindrances to English industries. Not the slightest credit is due to the advocates of free trade in England for placing these articles on the free list, because before the Anti-Corn League was organized the duties imposed on them had been reduced to a minimum by protectionists, and in a short time they would all have been placed on the free list. During the great rebellion in the United States in 1861, a protectionist Congress was compelled to impose taxes on this class of articles, to provide for the expenses of the government in carrying on the war. They were known as "war taxes." As soon, however, as the national debt was in part paid off, and by a system of refunding the interest account was lessened, these articles were restored to the free list. The protectionists of the United States do not impose duties on such articles of raw materials, as have been described.

It is worthy of note that the free trade movement in England encountered no opposition from protectionists in the legislation which affected the two classes of articles above named. They did not enter into

¹ English Trade and Finance, p. 145.

the controversy at the time. The duties on raw materials would have been repealed if a free trade party had not arisen in England. The policy of claiming credit for everything that was done by protectionist parliaments, before a free trade organization was effected, has created an erroneous impression as to the facts connected with the legislation which preceded the organization of the Anti-Corn Law League.

The policy of protection as it had been practiced since the time of Elizabeth embraced three general divisions, as follows :

*Protective
tariffs—
Industries*

1. Protection to domestic industries.
2. Protection to shipping.
3. Protection to agriculture.

As we have already shown, the principal part, if not all of the manufacturers of England had become so efficient, that they were able to defy all competitors at home and to undersell all rivals in every market open to the free admission of their goods. Not only this, but they were scaling the tariff walls of foreign countries and invading the chief industrial centres of the world. They were selling their wares at the very doors of the factories in the United States, and on the Continent, and dividing the market with native producers after paying a duty at the custom house. In considering the ability of the English manufacturers to supplant all rivals, a distinction should be made between cotton, woollen, linen and metal industries, in which their supremacy was unquestioned, and those of gloves, boots and shoes, silks, and a few others which were still carried on in part by hand workmanship. The latter, however, were insignificant when compared with the great textile, metal, and pottery industries. Their ability to hold their own markets, even in all branches, was proven by the test applied between 1826 and 1846, when duties were reduced to a very low point. Imports did not increase and hence it was demonstrated by nearly twenty years of experience, that they were quite independent of foreign competition in these great branches of production.

Another feature of the policy of protection to home industries, is found in the situation of those raw materials produced in England. The iron mines of England at this time were supposed to be inexhaustible, and by their nearness to the coal fields, the smelting of iron ore could be carried on cheaper than in any other place in the world. In salt mines England also had a supremacy. With lead, copper and tin so accessible, there was no necessity for any protective duties on raw materials for the metal industries. With the superior and abundant supply of clay for her potteries, none need be imported. In these raw materials, England occupied practically the same position as the United States now holds in the production of cotton. Another element of great importance was the coal mines. It would have been the height of folly for England to impose a duty on the importation of coal, when she was prepared almost to supply the world.

*Raw ma-
terials for
manufac-
tures.*

The necessity for continuing duties on most manufactured goods, had

practically ceased. It is therefore absurd to say that the duties then imposed on those manufactured goods were a burden to the English people. They did not affect the price of a single article. Their manufacturing supremacy was such, that an entire removal of those duties which had been imposed for the purpose of protection in former times and under different conditions would scarcely affect the volume of importation one way or the other, because under free trade English manufacturers would still hold a monopoly of their own market. Free trade was not adopted for the purpose of increasing importations of this character or of supplying the home consumers or for any of the reasons now urged by free traders to induce the people of the United States to abandon protection. They intended only to enlarge their trade by an exchange of finished goods for raw materials and agricultural products. It was by importing wheat, rye, barley, meat, and other farm produce in payment for cotton, woolens, linens, metals, etc., that they expected to enlarge their trade.

Manufacturers urge the repeal of protective duties.

With the manufacturers persistently urging a repeal of those duties which had formerly been imposed for the protection of manufactures, it could hardly be expected that the agriculturists, ship owners, and other classes, would raise any serious objection. That there was not the slightest fear on the part of the manufacturers, of injurious competition at home, from other countries, and that they were demanding a repeal of protection to their own industries, is shown by Mr. Mongredien, an eminent free trade authority, and formerly an attaché of the Cobden Club. He says, "True these Manchester manufacturers have declared over and over again, that they did not want for themselves any protective duties, whatever. That they disclaimed and repudiated them."

Disregarding all considerations of the future, ignoring that broad-minded policy which for centuries had guarded and fostered every department of industry, looking at the question solely in the light of present advantages to the English manufacturer, the commercial classes were becoming imbued with the idea that they could safely repeal all protective laws and embark on the policy of free trade. The external forces which were operating upon the industries of the country, the loss of markets by the building up of industries under protection in other countries, were constantly pressing home to the manufacturers and shippers the advantage which they might derive from foreign trade.

The free trade program.

The textile manufacturers had become settled in the conviction that the only means by which they could get into the best markets of the world, and induce other countries to repeal those protective laws which were standing as a constant hindrance to an unlimited expansion of their trade was, first, by abandoning the policy of protection, and then by proclaiming to the world the advantages of free trade as a policy universal in its

¹ History of Free Trade, p. 33.

application and advantageous to all nations. A bold and comprehensive plan! With this step once taken, they could direct the energy and intellectual forces of their country to a denunciation of the policy of protection, and thus bring it into disrepute. Pointing to their own example, they could herald the new doctrine as one having the approval of the greatest commercial nation in Christendom. They could advocate it on moral, political, scientific or other grounds, suiting their arguments to the conditions of the various localities of the world.

They well knew that with protective tariffs abandoned in other countries, they could annihilate every industrial rival and thus perpetuate the monopoly of markets, which their vast wealth, superior machinery and the efficiency of their labor would enable them at once to seize. While they could easily convert the shipping interests of the country to any policy that would increase the carrying trade; while they could win over all people living on fixed incomes and foreign investments (and this was a large class), to a policy which they might be convinced would reduce the price of agricultural products and give them cheaper food; the great body which stood in the way of a consummation of this policy was the farmers.

It would be a difficult matter to convince them that they could compete with foreign countries under free competition. The soil of England was most productive. It had been one of the chief agricultural regions of Europe for centuries, well suited to the growth of all grains and coarser vegetables. The raising of sheep and cattle had been an important industry. Agriculture was carried on like every other branch of business, and the profits derived from it depended upon the question of the investment of capital and employment of labor, affected only by favorable or unfavorable seasons. Agriculture carried on under these circumstances, they well knew could not compete with the almost spontaneous productions of the fertile and virgin soils of new countries. Up to 1839 crops had been good, the country prosperous and very moderate prices for wheat prevailed. There was no special condition favorable to the free trade agitator. Waiting for a time of distress, looking forward to a failure of crops or to some great calamity which would bring misfortune to the people, the manufacturers were preparing to attack the agricultural interests and force the country into the policy of free trade. Mongredien says: "The very abundant harvest of 1835 had given the people comparatively cheap bread, and the voice of complaint was hushed for a time."¹

The agricultural interest.

The partial failure of the wheat harvest in 1838-39-40, brought to free traders the very opportunity which they desired. Other circumstances at this time also favored the inauguration of a free trade movement. The Anti-Corn Law League, in its history of the causes which brought the

¹ History of Free Trade, p. 15.

*The time
ripe for
free trade.*

movement into existence, in speaking of the fact that an opportunity had arisen for decisive action, says :

Retaliatory tariffs had been established by Russia, and Sweden. America was about to do the same, and France, to use the language of Lord Palmerston, had made every article of produce a subject of protection, down to needles and fish hooks. (Speech in the House of Commons, May 17, 1841.) While these circumstances urged upon our Legislature the necessity of establishing our trade upon a more satisfactory footing, the present time seemed to offer peculiar facilities for making the attempt. Our treaties with Brazil were on the point of expiring, the United States were about to reconsider their tariff (1846), and the Zollverein would be open in the following year, on discussing the question of its renewal, to a readjustment of those duties which pressed so heavily on British manufacturers.¹

The loss of trade occasioned by protective regulations in other countries was a constant subject of discussion and alarm. On this subject Mr. Yeats says :

Indeed, the rivalry of France, Germany and Belgium, all of which countries produce excellent cloths, and the improvements in foreign machinery, so prejudiced our export woolen trade, that it seemed to be in a fair way of disappearing. From 1820 to 1840 our exports to Germany were reduced by a third; to Holland, by more than a half; to distant parts—India, China and America, the quantity sent out at the best did not increase, while to Russia the diminution was very remarkable. Thus, the number of pieces of woolen cloths and fabrics sent to Russia from England in the decennial intervals ending in 1820, 1830 and 1840, were respectively 31,824, 7415 and 1680.²

Again, in speaking of the influence of the Zollverein on their cotton industry, Mr. Yeats says :

Germany, with the aid of English machinery, advanced in manufacturing skill, and consequently took less of our industrial products. Cotton fabrics exported to Germany sunk in value from £4,500,000 in 1820, to £1,500,000 in 1838. Yarn, on the contrary, in the spinning of which Germany has not yet been able to compete with England, was sent in constantly increasing quantities, the value rising to £2,500,000.³

*The need
of prompt
action.*

The reasons which made it necessary for the English manufacturers to act were yearly growing more urgent. As factories were built in foreign countries the influences favorable to protection were increased; as employment was given to labor, as flourishing and prosperous industrial centres arose, the people would be convinced of its advantages, and it would become more deeply rooted and difficult to overthrow. While the duties then on the statute books in Great Britain had become so low, with the exception, perhaps, of duties on agricultural products, that they were not felt as a burden, yet the manufacturers desired, above all, to increase their foreign exchanges by trading their manufactured goods for agricultural products. The establishment of manufactures in agricultural

¹ Charter of the Nations, pp. 50 and 51. ² Recent and Existing Commerce, pp. 105 and 106.
³ Id., p. 116.

countries was what they desired to prevent, if possible. While continuing the agricultural interests of their own country, they were powerless to engage largely in trade with such countries. By agreeing to purchase agricultural products in payment for manufactured goods, they would offer an inducement to other countries to abandon manufacturing and trade with them. England could easily get rid of her duties on manufactured goods. The remaining duties on raw materials were, in any event, sure to be repealed within a short time. The only obstacle which stood in the way of the consummation of their plan was the Corn Laws.¹

The corn laws the chief obstacle.

It was under these circumstances that in 1838 Dr. Bowring, while passing through Manchester, was invited to attend a meeting which had been called by "a private circular issued by Mr. Prentice, the originator of the idea, to about one hundred gentlemen." Mr. Mongredien, in his "History of Free Trade," says that about sixty persons responded to this call. One familiar with the situation of English industries, the purpose they had in view, and all the circumstances surrounding the first steps in this movement, can well imagine the remarks of Dr. Bowring in his address to these gentlemen on that occasion. He had just returned from an official visit to the Continent, investigating the effect of the tariffs of Germany and other countries on English trade. The plan of getting rid of protection in other countries was undoubtedly the theme of his speech. Mr. Mongredien says: "Dr. Bowring addressed them in an interesting speech, in which he vehemently denounced the Corn Laws." It does not appear that there was any outcry on the part of the manufacturers against the duties then in force upon raw materials, nor that the moderate rates on manufactured articles occasioned any complaint. It was the Corn Laws that were made the bugbear to frighten the timid and mislead the ignorant. It was a most cunningly devised scheme to attack the landowners and to arouse the prejudice of the people against an aristocracy which was not popular in the realm.

Anti-Corn Law League—its activity.

About the tenth of January, 1839, an organization known as the Anti-Corn Law League was perfected in the city of Manchester. The purpose of this organization was to procure if possible, the repeal of all duties on agricultural products. In the same month a monster demonstration was held in the city of Manchester, and a movement was set on foot which in a short time revolutionized the industrial policy of the country. The leading central body was located in the great cotton manufacturing city of Manchester, in the very midst of the vast textile industries of the country. The perfection of the organization, the persistency of its efforts and the unscrupulous means resorted to in every part of the realm, together with the vast amount of wealth possessed by its members, made it the most powerful political combination ever brought to bear upon English politics. Committees were appointed to look after the most minute details of the

¹ Duties on wheat, oats, rye, barley and other farm produce.

*Leaders of
the League.*

work, and nothing was left undone to reach and influence every class of society. Branch organizations were formed in every part of the country, and channels were thus opened for the distribution of literature, the organization of meetings, and the carrying on of the agitation. Richard Cobden and John Bright, both manufacturers, were among the prime movers. They acquired more notoriety and distinction by their efforts than any others connected with the movement. Bright was aggressive, insolent, and abusive in his treatment of adversaries. One of the ablest speakers in England, he remained a prominent character in English politics until the close of his life. Bright has left a career unblemished by inconsistencies or acts of deception. He was bold and aggressive, and, although radically wrong, his personal interests in free trade, as a cotton manufacturer, blinded and warped his judgment and unfitted him to formulate a commercial policy suited to the varied interests of the country. Richard Cobden became the idol of the manufacturers. His name has been associated with the cause more than that of any other man. He was an ardent free trader and had advocated the free trade policy before the Anti-Corn Law League was organized. After the protective legislation of England had been repealed, he devoted his time and energies to influencing other countries to follow the example set by England. He visited all Continental countries, held consultations with emperors, statesmen, and public men, in which he explained in his most fascinating and convincing manner the wonderful advantages of the new faith. This of course was the great ultimate purpose which the English manufacturers had in view. The repeal of their own protective laws was simply a means to an end; that end was universal free trade. Partial free trade, simply the opening of their own ports to the free admission of the products of other countries, making their own country the dumping ground for the surplus products of the Continent (which is all they have accomplished) was not the kind of free trade they were struggling for. Free trade with them meant freedom to enter the markets of other countries.

*Richard
Cobden.*

It was to procure this that Richard Cobden devoted the latter part of his life. While Cobden was a shrewd and able debater, and understood the question at issue in all its bearings, better than any other Englishman, he is not entitled to the place in history which he occupies. Cobden was a thorough-going politician. He was a business man with but few elements of a statesman. As a prophet he was an absolute failure. He formed an entirely erroneous estimate of the patriotism and ability of the statesmen of other countries. He had no sympathy with the laboring population. His judgment entirely failed as to the practical operation and effect of free competition when applied to the industries of his own country. He understood full well, however, the advantages which English manufacturers then held over all rivals and the temporary benefits they would derive from having foreign markets opened to the free admission

of their wares. While he well understood the material benefits to be derived from cheapness, as he termed it, that is, that the unlimited extension of English commerce rested on their ability to undersell all competitors, he entirely lost sight of the degradation and misery to which commercial supremacy resting upon that basis, would necessarily reduce the great mass of laborers and artisans of his own country. Such a conception of human affairs can hardly fit a man for statesmanship. The true statesman must formulate his policy upon something besides the cash basis.

*Cobden's
lack of
true states-
manship.*

The recent discussion that has arisen in England on the tariff question has brought to light many addresses made by Richard Cobden in his appeals to the farmers, which are so inconsistent with speeches which he delivered in parliament after election, and to manufacturing centres, that his reputation as a moralist has greatly suffered. He is described by the Cobden Club in the following poetical strain:

"Pure-hearted hero of a bloodless fight!
Clean-handed captain in a painless war!"

The effort to vest his character with the wisdom of a statesman and the virtue of a saint, has somewhat failed in England, where he was best known. He participated in all the misrepresentations and frauds that were practiced on the tenant farmers of England to procure their votes in the election of 1841, and to obtain their assistance, or to allay their active opposition, while he was seeking to influence parliament to repeal the Corn Laws. The deceptions practiced on the agriculturist by the Anti-Corn Law League, forms one of the most disgraceful chapters of English history.

An amusing incident occurred when the demands which had been formulated by the Anti-Corn Law League were first brought before parliament. A committee was appointed to appear at the bar of the House of Commons and ask for the repeal of the Corn Laws. A monster petition had been prepared, which set forth the alleged evils of protection, and gave a most gloomy description of the condition of the trade and commerce of the country. That the condition of affairs claimed by the petitioners was a surprise to parliament is shown by what followed. Mr. Wood, president of the Manchester Chamber of Commerce, was then member of the House of Commons, and on behalf of his constituents presented the petition to the House. The honor was also conferred upon Mr. Wood of seconding the Queen's address. He had either not read the petition of his constituents or had not been told what the keynote of the League was to be. In moving the endorsement of the address from the throne, he gave a most glowing description of the prosperity of the industries of the country, to the disappointment and chagrin of the members of the free trade league, who were present. It is hardly necessary to say that this

*Appeal to
parlia-
ment.*

breach of free trade etiquette cost him his head, and he lost his place as president of the Manchester Chamber of Commerce.¹ It is hardly necessary to inquire which was the most truthful, the petition or Mr. Wood's speech. It is a significant fact, however, that the Corn Laws were not mentioned by the Queen in her communication to the law-makers of the realm. In fact, the only necessity for alarm at that time was the one being created by the Anti-Corn Law League. The petition presented was ignored by parliament.

*Election
of 1841.*

In June, 1841, parliament was brought to a sudden close. A motion of want of confidence in the ministry was carried by 312 against 311 votes. A dissolution followed and an election was immediately held. Sir Robert Peel, an avowed protectionist at this time, had triumphed over the ministry, and a new election was held without a direct appeal to the country upon the tariff question by either the Whigs or the Conservatives. Yet during the election which followed, the Anti-Corn Law League waged a vigorous campaign to procure the election of members of parliament who would favor free trade, but their efforts were only in part rewarded, there being only about one hundred free traders elected.

*Legislation
of 1842.*

The election of 1841 was a disappointment to the Anti-Corn Law League. The course of Sir Robert Peel, afterwards Prime Minister, and of Mr. Gladstone and other influential statesmen, in still adhering to protection, stood in the way of a consummation of the Manchester plan. Sir Robert Peel had been elected by protectionists, and every tie which binds honorable men to their constituents, required a devotion on his part to those principles which had won him the confidence and support of his people. A further revision of the tariff, however, was within the purpose of those men who still adhered to the policy of protection and opposed the doctrine of free trade. It could be made upon the lines which had been followed by protectionists for over twenty years. The sliding scale of duties on corn, which was adopted in 1826, was still in force. The experience during the seasons of good crops had shown that the duties were higher than the farmers required, to afford them ample protection in times of abundance and low prices. The experience had also demonstrated that the duties were higher than justice and fairness would permit during the seasons of deficient harvests and high prices. It was within the plan to revise the Corn Laws and still further reduce the duties on manufactured goods and raw materials, and make further provisions for the imposition of direct taxes. Accordingly, on the ninth of February, Sir Robert Peel introduced the famous measure known as the Act of 1842 for a revision of the Corn Laws. It permitted the importation of wheat with a duty of fifty cents per bushel when the price was \$1.50; as prices advanced the duty was reduced, being fixed at thirty-three cents a bushel when the price was between \$1.83 and \$1.86 a bushel; falling to

¹ Mongredien's History of Free Trade, p. 23.

twelve cents when the price was between \$2.10 and \$2.13 a bushel ; and to six cents a bushel when the price had reached \$2.19 a bushel. Considering the crude means of cultivation and harvesting which then prevailed, \$1.50 was a price which was conceded at the time to be fair and reasonable. While a duty of fifty cents a bushel was in its effect in most years almost prohibitory, it secured to the English farmers their home market, without interfering with the general current price in the country. Notwithstanding the very reasonable and moderate provisions proposed by this measure, the Anti-Corn Law League was vigorous and unsparing in its denunciation. The league demanded a removal of all duties and the establishment of free trade in all agricultural products. While the measure was pending before parliament the free traders were active in holding meetings in the chief manufacturing towns, for the purpose of denouncing the bill. Lord John Russell, Lord Palmerston and Mr. Villiers favored absolute repeal. They were, of course, supported by Mr. Cobden, who was elected to parliament in 1841. The first move on the part of the free trade opposition was taken on the fourteenth of February, when Lord John Russell offered an amendment to the bill, to the effect that the House was not prepared for its adoption. This amendment was lost by a majority of 123. A few days later an amendment was offered by Mr. Villiers, for the absolute repeal of the Corn Laws. It was upon this proposition that Mr. Cobden first distinguished himself in parliament as a debater. After a spirited discussion the amendment was rejected by a vote of 393 against, and only 90 for the proposition, showing a majority of 303 protectionists in the House of Commons. The bill, as proposed by Peel, finally passed both Houses and became a law on the twenty-eighth of April, 1842.

*Peel's
measure.*

The next step taken by the Prime Minister was the introduction of a bill imposing an income tax. The constant and steady revisions of the tariff which had occurred since 1815, so reduced the receipts of the government as to cause a deficiency of \$12,500,000. The expenses of the government, involving as they did the interest on the national debt, were so enormous that any species of taxation, direct or indirect, was necessarily high and burdensome. The duties on imports had been so reduced by former parliaments that nearly the whole of the customs revenues was being collected upon eighteen out of over eleven hundred articles subjected to duties. Further steps could not be taken without devising new means of taxation. The income tax imposed by Mr. Pitt to provide for the Napoleonic wars had been repealed at its close. A return to that system of direct taxation, which was regarded as a species of war taxes, was very distasteful to many members of parliament, yet the necessities of the situation procured sufficient votes for the passage of the bill.

*Income
tax.*

The next measure embraced within the legislation of this year was now introduced by Sir Robert Peel. It was the famous measure for the modification of the customs tariffs. It reduced the duties on seven

*Tariff
revision.*

hundred and fifty articles, leaving four hundred untouched. The reductions made in the duties on raw materials were approved by the manufacturers, while the duties on manufactured goods were left high enough to afford ample protection to the few industries which might possibly suffer from foreign competition. The prohibition was removed from the importation of cattle, and they were subjected to a duty which afforded ample protection to the agriculturist. It is worthy of note that this legislation was the work of a protectionist parliament, carried against the opposition and votes of the ninety free traders who sat in the body. It preserved all the essential principles of protective tariffs. Every industry and interest was considered and guarded. Mr. Gladstone participated in the debates, and earnestly and ably advocated protection to agriculture. Speaking on the bill for the revision of the Corn Laws in 1842, he said :

*Gladstone
on protec-
tion.*

The agricultural interests have a demand for protection on two grounds. These grounds are: First, the peculiar burdens upon the land. Secondly, the immense investments which have taken place under the present system (*i. e.*, before the repeal), and which would be seriously affected by the sudden and violent change.

Those circumstances convinced him that they must be prepared to have a certain quantity of corn always disposable in the foreign markets, at what might be called an unnaturally low price; and that it was against those unnaturally low prices that the agriculturists of this country, so far as a system of protection could be reasonable at any time, claimed with reason to have it applied.¹

But we must surely proceed with a due regard to our industry and interests, both at home and abroad; and it would be absurd indeed if we were to regulate our trade so as to leave ourselves altogether at the mercy of the policy or of the impolicy of the countries with which we trade.²

He contended, therefore, however desirable it might be in the abstract to buy cheap, that those principles were not to take effect, and should not take effect without a careful examination having first been made of the result they would be likely to produce in the displacement of labor, and interfering with the course of the investment of a capital of trade and the exchanges.³

He did not wish to cast a stigma upon the principle of political economy, but he felt called upon to object to the strict application of a principle, when circumstances were greatly modified and restricted.⁴

*Act of 1842
a protective
measure.*

That the principles of protection were fully upheld by the Act of 1842 is shown by Mr. Gladstone in his "Recent Commercial Legislation,"⁵ in which he said:

It was an attempt to make a general approach to the following rules:

First, the removal of prohibitions.

Secondly, the reduction of duties on manufactured articles, and of protective duties generally to an average of 20 per cent, *ad valorem*.

Thirdly, on partly manufactured articles, to rates not exceeding 10 per cent.

Fourthly, on raw materials, to rates not exceeding 5 per cent.

Substantially the same views were expressed by Sir Robert Peel, in his speech on the introduction of the measure.⁶

¹ Hansard, Vol. 60, p. 375, Feb. 14, 1842. ² Hansard, Vol. 66, p. 509, Feb. 13, 1843. ³ Hansard, Vol. 68, p. 922, April 25, 1843. ⁴ Hansard, Vol. 87, p. 1273, Feb. 26, 1845. ⁵ P. 29. ⁶ Hansard, Vol. 63, 3d series, p. 353.

The requirements of the government made it necessary that reduction of duties and changes which would lessen its income should be cautiously made. The requirements were so large, that revenue from one source could not be surrendered until it was replaced by taxes levied on something else. Neither at the time of the organization of the Anti-Corn Law League nor after the passage of the Act of 1842 was there any necessity for tariff agitation for the removal of burdens on English industries. The following statement shows the situation of tariff laws at this time:

The custom house accounts exhibited in 1842 a list of one hundred and ninety articles upon which duties were levied, independent of such as were not considered worth enumerating, but were described as "all other articles," and the duties upon which, in that year, amounted to \$366,755.¹ It is a curious fact that out of this long array of substances the net produce of the duties upon which amounted, in 1840 to \$116,709,065, the large proportion of 93 1-5 per cent, or \$109,362,540 was collected upon eighteen articles, as shown in the following list. By extending the list so as to comprise all articles which yield annually \$50,000 and upward, it will be found to comprehend, altogether, only forty-five articles, yielding \$113,713,005, or 97½ per cent of the whole, leaving one hundred and forty-five articles besides all those unenumerated, and which yielded \$2,996,060, or 2½ per cent of the produce.²

Eighteen articles from which 93 1-5 per cent of the revenue was collected in 1840:

Tea, ...	\$17,364,320	Tallow, ...	\$931,415
Sugar and molasses, ...	23,250,080	Silk manufactured goods, ...	1,203,135
Tobacco, ...	17,940,960	Currants, ...	1,007,885
British plantation and foreign spirits, ...	12,204,710	Sheep's wool, ...	663,445
Wine, ...	8,958,230	Corn, ...	5,783,195
Timber, ...	8,657,745	Raisins, ...	691,015
Coffee, ...	4,607,750	Seeds, ...	977,705
Cotton wool, ...	3,244,685	Cheese, ...	588,385
Butter, ...	1,287,880		
			³ \$109,362,540

*Revenue
from duties
on imports
in 1840.*

Forty-five articles yielding 97½ per cent of the revenue:

Pepper, ...	\$352,965	Platting for hats, ...	\$59,500
Dye and hard woods, ...	336,520	Skins	95,130
Turpentine, ...	425,970	Woolen manufactures, ...	103,075
Oils, ...	439,345	Glass, ...	115,240
Lemons and oranges, ...	314,070	Raw and waste silk, ...	88,290
Hides, ...	207,210	Linen, ...	68,560
Furs, ...	104,570	Nuts, ...	69,370
Iron, ...	109,095	Nutmegs, ...	75,200
Indigo, ...	199,125	Brimstone, ...	55,990
Licorice juice, ...	132,670	Madder and madder roots, ...	84,090
Leather gloves, ...	141,505	Cocoa, ...	104,720
Rice, ...	123,050		
Bark, ...	103,755		\$4,350,465
Eggs, ...	171,870	Eighteen articles named	
Bristles, ...	145,605	above, ...	109,362,540
Cork wood, ...	123,975	Total of forty-five articles, ...	⁴ \$113,713,005

¹ The figures given are reduced to United States money, at the rate of \$5 to a pound sterling.

² Porter's Progress of the Nation, pp. 498-9. ³ Id., p. 498. ⁴ Id., p. 499.

A similar examination of the custom house accounts for 1849 shows the following result of these important changes, viz., that upon twelve articles yielding each more than \$500,000 the revenue has amounted to 95½ per cent of the whole; that upon fourteen articles, yielding each between \$50,000 and \$500,000, the proportion was beyond 2½ per cent, while all other articles, the revenue from each of which was less than \$50,000, yielded less than 2 per cent of the yearly amount, which, notwithstanding the abolition and reduction of duties since 1840 to the extent of \$37,398,425 or 32.88 per cent, yielded in 1849 within \$2,368,690, or about 2 per cent (2.08) of the revenue of 1840.

Twelve articles above \$500,000 per annum : ¹

Butter, ...	\$689,220	Sugar and molasses, \$20,632,520
Coffee, ...	3,114,175	Tea, ... 27,357,100
Corn, ...	2,807,405	Tobacco, ... 22,040,090
Currants, ...	1,705,110	Wine, ... 8,837,580
Raisins, ...	758,840	Timber, ... 3,092,275
Silk goods, ...	1,267,235	
Colonial and foreign		
spirits, ...	14,082,395	\$106,383,945 or 95.54 per cent.

Fourteen articles between \$50,000 and \$500,000 :

Cheese, ...	\$484,285	Rice, ...	\$82,330
Leather gloves, ...	220,100	Clover seed, ...	206,655
Cocoa, ...	88,375	Tallow, ...	473,095
Eggs, ...	178,230		
Embroidery, ...	61,505		\$2,912,500 or 2.62 per cent.
Figs, ...	119,155		106,383,945
Flowers, artificial, ...	65,230		
Nutmegs, ...	90,580	Articles, ...	\$109,296,445
Nuts, ...	91,930	under \$50,000, ...	2,047,870 or 1.84 per cent.
Oranges and lemons, ...	323,395		
Pepper, ...	427,635		\$111,344,315

Further analysis of the legislation in question was made by Mr. Edwin Williams, in Fisher's *National Magazine*, of September 1846, as follows : ²

The following statements show the net annual produce of the duties of customs on all articles imported into the United Kingdom in the two years which preceded the alterations in the tariff made in 1842, and in the two years after these changes were effected :

	Articles on which the Duties were reduced in 1842-43-44.		Articles on which no alteration was made in 1842-43-44.	
	Two years before.	Two years after.	Two years before.	Two years after.
Raw materials for manufacture,	\$6,737,995	\$2,586,215	\$4,237,405	\$4,487,990
Articles partially manufactured,	5,241,715	3,240,525	14,430	19,415
Articles wholly manufactured,	796,490	705,920	1,601,360	1,672,705
Articles of food, (exclusive of corn or grain,	5,412,210	5,404,960	84,667,325	89,240,800
Articles not belonging to the preceding heads, ...	1,067,885	454,360	52,105	57,040
Totals, ...	19,256,295	12,391,980	90,572,625	99,974,450

¹ Progress of the Nation, p. 499.

² Taken from Colton's Public Economy, p. 112.

Effect of
reducing
duties.

It will be observed that the annual reduction of duty on raw materials for manufactures amounted to £830,356 (\$4,151,780), and on articles partially manufactured to £400,238 (\$2,001,190), making the annual boon to the manufacturers £1,230,594, equal to \$6,152,970; while the reduction of duties on manufactured articles imported was only £18,114 (\$90,570), and on all other articles the reduction was only £124,155 (\$620,775). At the same time the amount of revenue on articles in which no alteration was made in the tariff in 1842-3-4, was actually increased £1,880,365 (\$9,401,825.00), while the total amount of reductions on articles on which the tariff was altered, was £1,372,863 (\$6,864,315). This shows that the increase of the revenue on the unchanged articles exceeds the reduction on other articles by the sum of £507,502 (\$2,537,510).

By the new British tariff adopted at the present session of Parliament (1846), further reduction and repeal of duties on articles imported have been made; the government still pursuing the policy which has guided it in all the changes in the tariff referred to, namely, promoting the interests of the manufacturing classes. Thus, raw hides, mahogany, and other woods for manufacture, vegetables and a few other articles, are now added to the free list, while animals, beef, pork, and some other articles of food, being also admitted free of duty, the expenses of living are, of course, reduced to the manufacturer; add to this the reduction of duties on bread-stuffs, by the change in the Corn Laws, and we can estimate in some degree the amount of benefits which are expected to be derived by the British manufacturer by the recent legislation of Parliament, and the increased advantages those manufacturers will have in contending with foreign rivals for the markets of the world.

Benefits to the manufacturers.

It is true that the new British tariff has reduced the rates of duties levied on the manufactures of other nations when imported into the United Kingdom. British statesmen know that they may safely rely on the capital and skill acquired during long periods of protection, against any attempts that may be made by their manufacturing rivals of other countries to introduce the products of their industry into Great Britain. In 1839, the duties received on manufactured articles imported into the United Kingdom, amounted to only £443,355 (\$2,216,775), of which silk goods imported contributed more than one-half. Two years after the alteration of the tariff of 1842-3-4, the annual amount of duties on manufactures imported was £475,525 (\$2,377,625); which shows but a small increase of imports in consequence of the reduction of duties. The duties on silk manufactures, in 1839, amounted to £247,361 (\$1,236,805), and in 1844 to £286,535 (\$1,432,675), being about two-thirds of all the duties collected from manufactured articles from foreign parts.¹

The League opposed to all protective duties.

Sir Robert Peel, Mr. Gladstone, Disraeli, Lord Derby, and the most influential statesmen in the realm, were still devoted to the cause of protection. The legislation which had just been effected, instead of aiding the advancement of free trade, had placed obstacles in its way. The duties on raw materials had been reduced so low that no complaint could be raised against them as "burdens on industries." The duties on manufactured goods were high enough to afford ample protection to the few industries which might possibly suffer from foreign imports, and yet, with the exception of the duties on silks, their removal would not materially affect imports. The duties on agricultural products were reduced to a point which afforded sufficient protection to the farmers, while there was no danger that prices would be materially affected thereby in time of scarcity arising from crop failures. With this situation

¹ Public Economy, p. 112.

The land-owners.

confronting the English people, a continuation of the free trade movement could not be conducted under a plea of "barbarous," "excessive," or "burdensome" duties. This forced the Anti-Corn Law League definitely to take the position, that all protective duties, however insignificant, should be repealed. It forced them to assert openly the doctrines of free trade and to assail the whole policy of protection, on the ground that it was injurious to the English people. The manufacturers, shippers and commercial classes could be successfully appealed to on many grounds, but they alone could not influence parliament. The farmers must be won over. The great rural constituency must be converted to free trade before their representatives in parliament could be turned away from the cause of protection. The demand for a change must come from the agriculturists. The landed aristocracy, educated and trained in statesmanship, were too well informed and far-sighted to be fooled by the Manchester school. They comprehended the whole plan in all its bearings, and pointed out the identical results which have followed. Understanding the selfishness and avarice which gave life to the movement, they at once saw through the shams by which the free traders were attempting to mislead and deceive the people. From the very start Cobden and his associates realized that the landowners could not be duped, and under all circumstances would oppose their scheme. Here was a definite issue. The manufacturers on one side and the landowners on the other made up the two great forces which must fight out the battle of free trade or protection.

Protection and the landed interests.

Through all the centuries in which the landed interests had controlled legislation and directed the policy of Great Britain, they had displayed the greatest liberality toward all of the industries of the country. If they had been as short-sighted, narrow-minded and selfish as the cotton manufacturers, protection to manufacturers would never have been accorded. The ports of England would have been kept open, and they would have obtained their tools, implements and clothing on the Continent, in exchange for their wool, wheat and other produce. Had they done this, there would have been no Cobdens or Brights in Manchester to assail their interests. Broad-minded in commercial matters, and comprehending the industrial question from an enlightened and statesmanlike point of view, they foresaw the advantages which their country might derive from a system of diversified industries, and the wealth, prosperity and independence which manufacturing and mining would bring to the whole people. They early recognized and approved the claims of the merchants, manufacturers, miners and shippers to protection. Suitable legislation to foster and guard the interests of all classes was year by year extended, as changed conditions and the growth of the country made it necessary. They had ever been protectionists, not especially to advance their own interests, but to promote the welfare of all. It was a protectionist parliament that had

introduced the system of national education in England, and had passed the Reform Act in 1833, which destroyed boroughs, extended the right of franchise, and gave representation in parliament to those who had hitherto been denied participation in the affairs of the government. It was a protectionist parliament that passed the law of Catholic emancipation, repealing those provisions of the penal code which had denied to Roman Catholics the right to sit in parliament. It was a protectionist parliament that, in 1831, abolished slavery in every colony over which the British flag waved.

The protectionists of England were foremost in governmental reforms directed to the improvement, cultivation and elevation of the English people. Protectionism in England was based upon that spirit of nationality and love of country which had lifted the nation from insignificance to the proud position of the most progressive, independent and influential state in the world. The promotion of the material welfare of all the people of the country had been the cardinal principle of the statesmanship which had guided the nation for centuries. Notwithstanding the broad and wise policy which had been favored by the many eminent statesmen identified with the landed interests, their resistance in many instances to the growth of free government, which was undermining their power and invading their privileges, made them unpopular with the masses. Ever jealous of their hereditary rights, they were slow to yield to public sentiment, while they had opposed needed reforms and wise measures. Their opulence and position were the envy of the masses, and even when their political power was exercised as a restraint on the schemes of demagogues, however unsound they might be, bad motives were imputed to them, and prejudices were easily aroused. The insolent and arrogant behavior of the narrow-minded, cock-fighting element of the landed gentry brought them all into disfavor. It was an easy matter to arouse the prejudices of the nation against those who were lording over it, and who were looked upon by many as an obstacle to progress. It was a most cunning piece of political tactics to convert the free trade movement into an attack on the aristocracy of the country, and to attempt to win the tenant farmers and masses by parading the policy of free trade before the country as one inaugurated for the benefit of the poor. They attempted to make it appear that the landowners were the real beneficiaries under protection, while the tenant farmers were actually injured by it. With the landowners unalterably against them, they must necessarily appeal to that other branch of the rural population which stood between the aristocracy and the common laborers. To win over the yeomanry would force parliament to yield. In order to do this, they must first convince them that farming in England would be more profitable, and could better be carried on, under free trade than under protection. It was to this branch of the rural population that the whole campaign was directed.

*Winning
over the
farmers.*

*Deceiving
the yeo-
manry.*

The vast body of tenant farmers, the well-to-do agriculturists, who occupied the land under leases, had for many years been in a most thrifty and comfortable condition. They had been one of the chief elements of strength and stability in the nation. It was from this class that Cromwell recruited his army when he broke the power of kingcraft. While ostensibly assailing the landed gentry, the real purpose of the Anti-Corn Law League was to destroy the interests of the yeomanry. The property of this vast body of farmers was marked for confiscation through free trade legislation. The value of every species of property which they had gathered about them by years of industry and frugality was to be reduced, their profits destroyed, incomes annihilated and their farms and gardens exposed to pillage and attack by foreigners. A more vicious and deliberate purpose to annihilate the property and means of subsistence of a large portion of an empire was never entered upon. There is not in all history a parallel to be found. The tendency of the nineteenth century in every other country has been to elevate and improve the condition of the masses. Here we find a movement having for its central purpose their degradation and oppression. This is the first instance in the history of England of a combination on the part of the manufacturers to promote their own interests, regardless of the welfare of others.

Had the real purpose of the Anti-Corn Law League been disclosed to the agriculturists, protection could never have been overthrown. Had they proclaimed or admitted what they believed the result would be, the sense of fairness pervading the masses of the English people would have made their triumph impossible. Had they told the farmers what they knew to be a fact, that the land would go out of cultivation, and that the food supply of the English people would be brought from foreign parts, their speakers would have failed in their efforts. The blackest page in the history of the whole movement is the campaign "of education," as they called it, which was carried on among the farmers from 1842 to 1846, to convince them of the advantages of free trade. While deliberately plotting for the ruin of the tenant farmers, the Manchester manufacturers were professing to be their friends. The rural districts were flooded with the literature of the League. Richard Cobden, John Bright, Colonel Thompson, and many other speakers, were going from place to place, addressing meetings and arousing the people against protection. It would not do to tell the farmers that their land would go out of cultivation; that cattle, sheep, hogs, wheat, barley, rye, oats, and even butter, cheese, eggs, poultry, and in fact nearly everything which they were producing, would be shipped into Manchester and the great commercial centres of England from other countries. Their mission was to get the farmers' votes, procure their signatures to petitions to parliament, asking for the repeal of the Corn Laws. The means used to accomplish this were most discreditable.

They told the farmers that they were paying too high rents and being robbed by the landlords ; that the adoption of free trade would compel a reduction of rent, and the loss would fall upon the landowners. Another argument which the professional free traders never neglect on any occasion is an attempt to convince by flattery. The English agriculturists were told how much more skillful they were than those of other countries, how under the stimulating influence of free competition their energies would be aroused, and by new and better methods of cultivating the soil, the use of machinery, and by a superior knowledge of scientific farming, they could defy all competition. By every conceivable argument it was urged that the English farmers would be benefited by free trade. In 1842 the Anti-Corn Law League gave prizes for "the best practical essays demonstrating the injurious effect of the Corn Laws on tenant farmers and farm laborers, and the advantages which those classes would derive from its total and immediate repeal." The three prize essays were written by George Hope, Arthur Morse and W. R. Gregg. In the appeals which were made to the farmers to induce them to abandon protection, these pamphlets were distributed and referred to. The series of tracts were prefaced by a manifesto from "The Council of the National Anti-Corn Law League to the Farmers of the United Kingdom," asking them "to read dispassionately and calmly the following pages which are devoted exclusively to the consideration of your interests and the interests of your dependents."

*Alleged
benefits
of free
trade.*

Mr. Hope, at page 13 of his essay, said to the farmers :

*Corn laws
attacked.*

Upon this subject of protection, let me remind you that you have always secured to you the natural protection of the cost of bringing the corn from distant countries. Upon the average, I believe the freight and other charges upon corn imported from the Baltic or America, amount to ten shillings a quarter. And this I say, is natural protection, which nobody can deprive you of. Suppose you grow four quarters (thirty-two bushels), of wheat an acre, this protection of ten shillings a quarter, is equal to two pounds an acre.

Notwithstanding that their chief objection against the Corn Laws was based upon the claim that they tended to enhance and keep up the price of wheat, and that their whole cry in the manufacturing centres and among the commercial classes was for cheap bread and the removal of taxes from the food of the poor, they argued before the farmers that the price of wheat would be higher under free trade than it had been under protection. We find at page 6 of the essay written by Mr. Morse, the following argument to show that free trade would make bread dearer, and thus result in a great benefit to the farmer. He says :

We have had lower prices for wheat occasionally since 1815, than we ever should have had with free trade. It will hardly be disputed that the Corn Laws have not been successful in preventing very low prices of corn, or that they have not succeeded in maintaining a rise in price, which, of all things, is of the most

*Cobden's
"natural
protection"
argument.*

essential benefit to farmers. That free trade would operate powerfully in accomplishing these ends there are very good reasons to suppose.

Here they attempt to show that free trade will bring about the very state of things which the Anti-Corn Law League was organized to prevent. Mr. Gregg says, in his prize essay, "That the repeal of the Corn Laws is necessary to save the farmer himself from ultimate and entire ruin."

The following, from Mr. Cobden's speech delivered at Canterbury in 1843, is taken from a local paper published at the time. Speaking of the advantage of natural protection which the cost of transportation gave to the English farmers, he said :

The cost, not merely of freightage, but of loading, insurance, landing, commission, interest and loss, and every item for the conveyance of wheat from the merchant at Dantzic to the merchant at Liverpool was 10s. 6d., a quarter. Supposing they grew three quarters an acre, was not 31s. 6d. sufficient protection? Why, it was more than their rent, and he said that the farmers could compete with those at Dantzic rent free. But the corn that was shipped no more grew at Dantzic, than the corn at Liverpool, grew at Liverpool. It was brought by the Vistula perhaps some three hundred or four hundred miles at a great expense, risk, and loss. [Hear! Hear!] The average cost of wheat at Dantzic for the last ten years had been upwards of 40s. a quarter. Would the farmers then believe the political landlords when they told them that good wheat could be brought over and sold here for 25s. or 15s. the quarter; or would they believe anything else such silly people taught them?

Then with respect to American wheat:

He fairly believed that it could not be imported with a farthing duty—indeed it would be a hard strife and struggle for the people of this country to be fed from the plains of America at no duty at all. Wheat from that country had to be conveyed at least one thousand five hundred miles by navigation in the interior, if not over the Alleghany Mountains. It was brought across Lakes Michigan and Erie, through canals, down the Hudson River, and was three times trans-shipped before it reached the ocean. Would they then tell him that they could not compete with the Americans, whose corn was also grown at the expense of 4s. a day for labor? Why could they not? Because they suffered themselves to be bamboozled. There lay the whole secret.¹

To assume that Mr. Cobden was ignorant of what was then taking place in the world would be a reflection upon his intelligence. This speech was delivered at the very time when steamship navigation and the building of railroads had begun, and the possibilities of cheap transportation were attracting the attention of the people of every civilized country. This, however, is not all that Mr. Cobden said to the farmers of England in this line. He stated in a speech delivered on February 8, 1844, that

*The Corn
Laws said
to be
against the
interests
of the
farmers*

Free trade in corn is the very way to increase the production at home, and stimulate the cultivation of the poorer soils by compelling the application of more capital and labor to them. We do not contemplate deriving one quarter less corn from the soil of this country. . . . All we contend for is this, that when we

¹ Fair Trade Journal, Vol. II, p. 13.

have purchased all that can be raised at home, we shall be allowed to go elsewhere for more.¹

Mr. Cobden ridiculed the warnings of Lord George Bentinck, Disraeli and others. Referring to their prophecies, he said:

They have told them, the farmers, with all the high authority that belongs to their life and station, that the Corn Laws will be abolished; they tell their tools, the papers, like Grandmamma, to deal out in their diurnal twaddle the argument that if the Corn Laws are abolished, the farmers would be ruined, even if they paid no rent.²

Again, in the same year Mr. Cobden declared that it was positively demoralizing to argue that the English farmer could not, with free imports, compete against the foreigner. Men who indulged in such reasoning were, he said, "gross humbugs" who were guilty of "a gratuitous piece of impertinence." Free trade, he added, "*will make the agriculturist of this country capable of competing with the farmers of any part of the world.*"³

Later statements of the Anti-Corn Law League and Mr. Cobden show that there was not the slightest sincerity in the arguments which were used to convert the farmers to the doctrine of free trade. This is a most interesting period in the tariff history of the world. It was during these years, from the organization of the Anti-Corn Law League in 1839 to the repeal of the Corn Laws in 1846, that those falsehoods and fallacies which have since formed the basis of free trade arguments, were invented to mislead and deceive the English people. The American people have been made familiar with the stock phrases and arguments employed by the unscrupulous politicians, who brought the free trade movement into existence. Richard Cobden and his associates were masters of the art of deception.

The same parliament which was elected in 1841, composed of an overwhelming majority of protectionists, remained in existence until after the adoption of free trade in 1846. It was to this body that the Anti-Corn Law League was appealing for a repeal of the Corn Laws. To convince its members that they should violate the implied and expressed pledges given to their constituents, and abandon the principles which they were elected to uphold, was the object of the unceasing efforts of the members of the league. As a part of this plan, the creation of a public sentiment in favor of free trade, was constantly going on. The presentation of petitions to parliament, signed by those whom they had converted by their false predictions afforded a pretext for the action of those members of parliament who were hesitating to desert their constituents. That they were constantly making headway by all the devices to which they resorted, there can be no question, yet conditions arose between 1842 and 1845 which made their work more difficult. Harvests were plentiful, prices were moderate. The business of the country was in a flourishing condition, and there was little excuse apparent, for continuing the agitation, but it went on. In the life

*Free trade
propa-
gandism.*

¹ Fair Trade Journal, Vol. I, p. 226. ² Fair Trade Journal, Vol. III, p. 276. ³ Fair Trade Journal, Vol. I, p. 10.

of Richard Cobden, written by Richard Gowing, and published by the Cobden Club, may be found the following important admission, which shows that the cause of free trade thrived on the misfortunes of the people, while in times of plenty and prosperity, Cobden and his associates made little headway. "In 1843, and more especially in 1844, the British corn harvest was plentiful and the price of wheat ran low, and the working and laboring population were better off. Upon this the masses of the people grew less eager upon the question of corn law repeal."¹

*Bad
seasons.*

The opportunity for which the Anti-Corn Law League had been waiting soon arrived. In 1845 the wheat harvest was a failure and three bad years followed in succession. During these same seasons the potato crop failed in Ireland, the plant having been struck with a blight; the potatoes rotted in the ground, and the country was visited by a famine, one of the most terrible in the history of modern times. This was the golden opportunity for the Anti-Corn Law League. They took advantage of the situation, renewed their agitation and attributed the high price of wheat, the distress and suffering in the country to the Corn Laws. That the calamity which had befallen the people was the principal cause which at that time contributed to the overthrow of protection and the establishment of free trade was fully understood at the time. Mr. Morley, in his "Life of Richard Cobden," speaking of the opportunity the distressful condition of the country afforded to the free trader, says of the autumn of 1845: "It was the wettest autumn in the memory of man. Mr. Bright was traveling in Scotland. The rain came over the hills in a downpour that never ceased by night or by day. It was the rain that rained away the Corn Laws." "In the same autumn," says Mr. Gowing, "when men's minds were filled with gloomy apprehensions of the consequences of a wet harvest, came news of a potato famine in Ireland. The people of that country lived upon potatoes; the plant took a blight, and the population of Ireland stood face to face with starvation."²

*Triumph
of free
trade.*

During this season of distress the free trader plunged into the fight with renewed energy, stopping at nothing to overthrow the policy of protection. The terrible calamity which had befallen the people was laid at the door of protectionists. With sympathetic appeals, solicitous of the welfare of the masses, they proclaimed the doctrines of free trade as a remedy for every ill from which the people were suffering. This was the time chosen by "statesmen to educate the people" in economic doctrines, which required cool, dispassionate deliberation and reflection. It was a fit time for conspirators to do their work. With a large corruption fund in the hands of "the moving men;" with excuses and justifications, prepared by the members of the league to ease the conscience and give courage to those who were hesitating to betray their constituents; with the whole country kept in an uproar of intense excitement, in order to

¹ Page 94. ² Life of Richard Cobden, p. 96.

frighten the timid into obedience and, if possible, stampede a legislative body, that policy which had contributed so much to the greatness of England was overthrown.

Notwithstanding that the free trade measure was carried by a majority of ninety-eight, such action was taken against the judgment and conscience of parliament. It was forced through with an utter disregard for its merits and the injury it would inflict upon the great mass of the English people. In proof of this, we have the statement of Mr. Cobden himself, made on the twenty-sixth of November, 1852. in a speech delivered before the House of Commons :

*Real views
of the
majority in
parliament.*

It is no secret that, in that Parliament (1846), a large majority of the House of Commons were, in their hearts, unfavorable to the repeal of the Corn Laws. Probably it will not be too much to say that two-thirds of that House, were, by conviction, if not by interest, opposed to that measure. I am sure that it only required such an organization of official men—a sufficient number of the leading statesmen—to defeat, with the support which the majority of the House would have been ready to have tendered, the proposition of Sir Robert Peel, and to have carried a motion for a fixed duty.¹

All of the means used to convince parliament against its will that the measure should pass, will remain a part of the secret history of the campaign. How the leaders of the League prevented a sufficient number of "official men" from organizing and opposing the passage of the bill is unknown. It is a most remarkable fact that men elected as protectionists, who were "in their hearts unfavorable to the repeal of the Corn Laws," suddenly became free traders. This was a most remarkable episode in the history of the British parliament. No legislative body was ever beset by a more powerful lobby than the one which was in constant attendance, representing the Manchester manufacturers. That the bill was carried by the most flagrant betrayal of constituencies, was openly charged in the debate by Disraeli and other members of the House. This circumstance in connection with the low order of political morality which prevailed, and the enormous sums of money raised by the Anti-Corn Law League at a time when no election was being held, casts a suspicion of the gravest character upon the movement. The following account of the sums of money raised at different times may be found in Mongredien's "History of Free Trade," Gowing's "Life of Richard Cobden," put out by the Cobden Club, and "The Charter of the Nations," put out by the Anti-Corn Law League in 1854, and written by the Rev. Mr. Dunckley.

*Suspicion
as to the
parliament
of 1846.*

When the club was first organized in 1839, \$9000 was raised and by February 9, 1840, \$36,680 more. At this time \$25,000 was also raised to pay the expenses of the committee sent to lobby with parliament in their interests. By 1842 they had raised a fund of \$250,000. After this was accomplished in 1843, they proposed raising a fund of \$500,000. At a meeting

*Campaign
funds.*

¹ Hansard, Vol. 123, p. 166.

held in Manchester, on November 14, 1843, \$60,000 was subscribed in an hour and a half. The *Times* of November 18, 1843, said :

It is a great fact that at one meeting in Manchester more than forty manufacturers subscribed on the spot one hundred pounds sterling each, and some gave three hundred pounds sterling, some four hundred pounds sterling, and some five hundred pounds sterling, for the advancement of a movement which right or wrong, just or unjust, expedient or injurious, they at least believe it to be their duty and for their interest, or both, to advance in every way possible.

At a meeting held in Covent Garden, June 18, 1845, Mr. Wilson, the chairman, announced that \$580,000 had already been paid in.

Contributions to the League.

It would seem that the enormous sum, \$630,000, then held ought to have been sufficient to run a highly intellectual and moral campaign, conducted by a body of unselfish thinkers, but they needed more. At a meeting, held in the Town Hall of Manchester, on December 23, 1845, it was proposed to raise an additional amount of \$1,250,000. In a short time \$750,000 of this last subscription had come in. In 1854 the Anti-Corn Law League gave a prize of two hundred and fifty pounds sterling to the person who would write the best history of the free trade movement in England. A book written by the Rev. Henry Dunckley, entitled "The Charter of the Nations," was awarded the prize. This work having received in 1854 the approval of the organization which founded the free trade movement, ought to be good authority at least upon the question of the expenditure of this vast sum of money. At page 79, Mr. Dunckley says upon this question, speaking of the Anti-Corn Law League, "They had wealth enough for any purpose. The Constitution recognized wealth as a valid title to political power ; they would, therefore, purchase freeholds and master the country's constituencies. In 1844 they had raised £100,000 (\$500,000) for carrying on the agitation."

The work of the League.

"Purchase freeholds and master the country's constituencies." What does this mean? Elections had been held. The morning *Herald* speaking of the situation said, "The confederacy (the league) is powerful. The sincerity of its leading men is testified by their subscriptions, and the determination of its moving men is certified by their indomitable perseverance, their incessant activity, and their remorseless unscrupulousness." The "moving men" were the ones who handled the money. Men of "remorseless unscrupulousness" attempting to convert a minority into a majority.

The *Morning Post* in speaking of the protectionists and the possibilities of a free trade victory said, "They discovered that the landed interest was not likely to be defended by the owners of land with such weapons as in these days prevail."

The work of the League by this time had been so well done that a majority of members of parliament could be relied upon to desert their party and favor free trade. Many influences and circumstances combined to bring about this result. The manufacturers and commercial classes had united under the most powerful political organization which had ever

attempted to influence British legislation. Parliament now entered upon that series of acts which reversed the policy of the government and introduced free trade. In 1845 a bill was carried through which placed four hundred and twenty articles on the free list, many of which were of trifling importance, yet they included the principal articles of raw material, such as ashes, barilla, bark, flax and tow, sheep's wool, cotton wool, hemp, hides, indigo, madder, palm oil, train oil, sago, saltpetre, raw silk, all sorts of skins and furs, straw for plaiting, all sorts of fancy woods, etc. The duties had been so insignificant upon this whole class of articles that they were gotten rid of very easily, and without opposition.

The following year, 1846, is one of the most memorable in the history of British legislation. The session of parliament opened on the nineteenth of January. Sir Robert Peel, the Prime Minister, in his address upon the Queen's speech, made an important announcement when he said, "My opinions on the subject of protection have undergone a change." This was followed by the presentation, on the twenty-seventh of January, of the famous measure in question. The bill provided for the repeal of all protective duties on wheat, rye, oats, barley, vegetables, maize and buckwheat, retaining them under a sliding scale of diminishing duties until 1849, when free trade in the products of the farm should take effect. It repealed the duties on cattle, sheep, hogs, beef, bacon, animal food, vegetables and poultry, while it continued a small duty on butter, cheese, hops and cured fish, for revenue purposes. The chief textile fabrics, cottons, woollens and linen, were placed on the free list, as were also the principal manufactures of iron and steel. It is a remarkable fact, that while protection was wholly taken from the agriculturists, that only those manufactured articles were placed on the free list in which the English people held an undoubted supremacy. The duty on silk manufactures was reduced from 30 to 15 per cent, ad valorem. Those industries in which machinery had not been fully introduced were still accorded a moderate degree of protection. The following is a list of the articles of domestic manufacture upon which duties were still maintained:

ARTICLES WHOLLY MANUFACTURED.

Silk, not made up.	Clocks.
Cotton, wholly or in part made up.	Watches.
Wool, wholly or in part made up.	Canes, umbrellas, parasols, etc.
Flax, wholly or in part made up.	Candles.
Iron and steel, wrought or unwrought.	Hats and bonnets.
Brass and copper.	Embroidery and needlework.
China and earthenware.	Leather.
Glass.	Musical instruments.
Paper.	Chemical oils, essential and perfumed.
Opera glasses, etc.	Japanned or lacquered ware.
Extracts and essences.	Lace.
Bronze.	Other articles.
Beer and ale.	

*Repeal
of duties.*

*Articles on
which
duties were
retained.*

ARTICLES PARTIALLY MANUFACTURED.

Wood and timber, sawed or split.	Gum, shellac and lac dye.
Olive oil.	Verdigris.
Plaiting	Woolen and worsted yarn.
Iron in bars, unwrought.	Silk, thrown.
Palm oil.	Drawback on silk manufactures exported.
Hides, tanned, tawed, curried or dressed.	Other articles. ¹

It was with reference to this class of articles that Sir Robert Peel said, "I do not abolish all protective duties; on the contrary, the amended tariff maintains many duties that are purely protective, distinguished from revenue duties."

Mr. Gladstone, in making further revisions in 1853, said, in referring to this class of articles, that they proposed to abolish all duties on articles of manufacture, "except such as are in the last stage as finished articles, and are commonly connected with hand labor; in regard to which cases we have thought it more prudent and proper to proceed in the mode, not of abolition but of reduction."²

*Betrayal
of the
farmers.*

The question of exposing the tenant farmers to free competition provoked one of the most violent and exciting debates ever witnessed in the House of Commons. While Sir Robert Peel had become the nominal leader of the free trade party, Richard Cobden was its actual leader. Sir Robert Peel and those other members who had deserted their own party and gone over to the enemy, were but doing the bidding of the wily, persuasive and irresistible Cobden and his associates, who threw off the mask that they had been wearing in the rural districts, and addressed themselves to the question just as they felt. Cobden took the bold position that free trade was to be established for the purpose of extending the foreign trade of the factories, by exchanging their wares for the agricultural produce of foreign countries. He said, "The people contended for the right to exchange labor for food."³ This involved the sacrifice of the tenant farmers, to whom he had given assurances that they would not be injured by free trade.

Mr. Cobden had said in his political writings :

"No candid advocate of a protective duty will dispute that to restrict the import of corn into a manufacturing nation, is to strike out the life of its foreign commerce."

He further said:

The question of the repeal of the Corn Laws, then resolves itself into one of absolute State necessity; since our foreign trade, which is indispensable to the payment of the interest of the national debt, cannot be permanently preserved if we persevere in a restrictive duty against the principal article of exchange, of rude unmanufacturing people. To prohibit the import of corn, such as is actually the case at this moment, is to strangle infant commerce in its cradle.⁴

¹ Hansard, Vol. 83, 3d series, pp. 10-36. ² Mr. Gladstone's Budget Speech, April 18, 1853, revised edition. ³ Hansard, Vol. 63, p. 719, May 24, 1842. ⁴ Gowing's Life of Cobden, pp. 29-30.

The substance of this declaration is simply, that for the English people to continue to raise their own food at home, would prevent that unlimited exportation of manufactured goods which was so desired. One of the most apt illustrations of their position was given by Mr. Cobden himself in his speech on the repeal of the Corn Laws. Referring to the duty on corn, as affecting the trade between England and the United States, he said:

*Real motive
of repeal.*

Suppose now that it was but the Thames instead of the Atlantic which separated the two countries; suppose that the people on one side were mechanics and artisans, capable by their industry of producing a vast supply of manufactures, and that the people on the other side were agriculturists, producing infinitely more than they could themselves consume of corn, pork and beef—fancy these two separate peoples anxious and willing to exchange with each other the produce of their common industries, and fancy a demon rising from the middle of the river—for I cannot imagine anything human in such a position and performing such an office—fancy a demon rising from the river and holding in his hand an act of parliament, and saying, “You shall not supply each other's wants,” and then in addition to that, let it be supposed that this demon said to his victim with an affected smile, “This is for your benefit; I do it entirely for your protection.”¹

The whole scheme of the Anti-Corn Law League is unmasked in this illustration of the subject. It shows that the movement had for its definite purpose the exchange of manufactured products of England, for agricultural products raised in other countries. This involved a sacrifice of the agricultural interests of the country. It contains an implied admission that the farmers of England could not successfully compete with those of other countries and hence must give way.

It shows further that it was not contemplated that the English people would buy *manufactured* articles from other countries. Not for a moment was it intended that a single factory in England should be destroyed or an English artisan be thrown out of employment, but on the other hand they were to find more work and their foreign trade was to be extended by this class of exchanges. Now let us turn Mr. Cobden's supposition around and see how it would fit his purpose. Let us assume that the people on the east side of the British Channel, those of Belgium, Holland, France and Germany were artisans and manufacturers, possessed of the most efficient machinery in the world, the most skillful artisans, the largest amount of accumulated capital, forty years in advance of England in manufacturing and able, under free trade, to make everything so cheaply that they could inundate England with their wares, close every factory and drive every English artisan into the street. Now let us fancy that on the west side of the British Channel there were 20,000,000 of English people who were less skillful and had less capital, although possessed of great natural advantages for manufacturing, without which they could not give full employment to their people. Let us assume that to open

*A parallel
case.*

¹ Gowing's Life of Richard Cobden, p. 82.

their ports to free competition would result in the ruin of their industries, throw their laborers out of employment, and reduce them to poverty and degradation. What, then, would Mr. Cobden have said? Would he have consented, as an English manufacturer or as a representative in parliament, to the sacrifice of the industries of his own country? Would he, under these circumstances, have advocated a policy that would have closed his own and every cotton factory in Manchester? The answer is most decidedly, no! If, under these circumstances, a being had risen in the British Channel holding in his hand an act of parliament saying to the Continental manufacturers, "You shall not ruin the industries of the English people; you shall not ruin the cotton manufactures of Manchester, and plunge Mr. Cobden, John Bright and the other members of the Anti-Corn Law League into bankruptcy and ruin;" instead of calling him a "demon," Mr. Cobden would have been the first to pronounce him a protecting and guardian angel. If, however, Mr. Cobden, instead of being a manufacturer, had been living upon a fixed income or drawing a pension from the British Government, and had regard only for his own pecuniary advantage, the opportunity of saving three dollars on a suit of clothes, under strict free trade principles, would have been full compensation for the destruction of the industries of his own country. Nothing short of the loss of his pension would shake his confidence in "sound economic principles."

*Hostility
to the agri-
culturists.*

Mr. Cobden was a manufacturer speaking for interests which were able to defy the world in the battle of competition. He was talking solely for the profit and advantage of those manufacturers who had everything to gain and nothing to lose by free trade. He was advocating a policy which he supposed to be peculiarly fitted to the condition which then existed in his own country. The question had now reached a point at which disguises were thrown off, the real attitude of the free trader toward the farming interests was being made known, and the effect of free competition was no longer a matter of doubt. Colonel Perronet Thompson, in speaking against the Corn Laws, urged their repeal upon the sole ground of advantage arising from existing conditions. He said, "That to encourage the importation of agricultural produce would extend the manufactures." "To refuse it," he remarked, "is like a draper's refusing to sell cloth and buy bread, lest he should raise up a rival in the baker. . . . The power of increasing our wealth and population by exchanging manufactures for food, is what God has given us to hold our ground with."¹ This same Colonel Thompson, in his "Free Trade Catechism," in answer to the proposition that "without cultivation there could be neither trade nor manufactures," replied: "It may be information to the home agriculturists to state, that there would be no physical impossibility in living without them altogether."²

¹ Fair Trade Journal, Vol. 1, p. 18.

² Fair Trade Journal, Vol. 1, p. 38.

It was to promote the interests of the cotton manufacturers, that Sir Robert Peel betrayed his own party and went over to the side of the Anti-Corn Law League. In his speech on January 27, 1846, he said: "They wish to establish the prosperity of that great staple manufacture of this country, the cotton manufacture, on some sure and certain foundation."

Sir Robert Peel.

Justin McCarthy, in his "History of Our Own Times," in describing the debate in the House upon the repeal of the Corn Laws, refers to the sudden change which came over Sir Robert Peel. Elected as a protectionist; bound by all party affiliations and loyalty to defend in parliament the views of those whose votes he had solicited, he went over to the enemy's camp as soon as the free traders presented a show of a majority. He abandoned the leadership of his own party, to become the leader of its antagonist. He was the first to betray the trust which had been committed to him. It is a reflection on his intelligence for free traders to justify this betrayal upon the ground that he had changed his opinion. Peel was a leader in parliament with Huskisson and Canning in 1826. For twenty years he had defended the principles of protection and was conversant with every branch of the subject. Mr. McCarthy seems to think the following criticism by Mr. Disraeli justifiable:

Mr. Disraeli did therefore the very wisest thing he could do, when he launched at once into a severe personal attack upon Sir Robert Peel. The speech abounds in passages of audaciously powerful sarcasm. "I am not one of the converts," Mr. Disraeli said. "I am perhaps a member of a fallen party. To the opinions which I have expressed in this House in favor of protection I still adhere. They sent me to this House, and if I had relinquished them I should have relinquished my seat also." That is the keynote of the speech. He denounced Sir Robert Peel, not for having changed his opinions, but for having retained a position which enabled him to betray his party. He compared Peel to the Lord High Admiral of the Turkish fleet, who, at a great war-like crisis when he was placed at the head of the finest armament that ever left the Dardanelles since the days of Solomon the Great, steered at once for the enemy's port, and when arraigned as a traitor, said that he really saw no use in prolonging a hopeless struggle, and that he had accepted the command of the fleet only to put the Sultan out of pain, by bringing the struggle to a close at once. "Well do we remember, on this side of the House, not perhaps without a blush, the efforts we made to raise him to the bench where he now sits. Who does not remember the sacred cause of protection, for which Sovereigns were thwarted, Parliament dissolved, and a nation taken in? "I belong to a party that can triumph no more, for we have nothing left on our side except the constituencies which we have not betrayed." He denounced Peel as "a man who never originates an idea; a watcher of the atmosphere; a man who takes his observations, and when he finds the wind in a particular quarter trims his sails to suit it;" and he declared that, "such a man may be a powerful minister, but he is no more a great statesman than the man who gets up behind a carriage is a great whip."¹

Disraeli's position.

In this great controversy Disraeli made his mark. He lifted himself at once to the leadership of the Conservative party. Perfectly fearless in maintaining his position, unswerving in his adherence to principles, he

¹ A History of Our Own Times, c. 14.

*Parliamentary
leaders—
Bentinck.*

never betrayed his party nor violated the confidence of those who elevated him to position and power. The events which followed the adoption of free trade confirm the wisdom of his course against it.

Lord George Bentinck was one of the men who upheld the interests of the English people during this struggle. With almost prophetic vision he foretold the calamities which would certainly befall the English people upon the adoption of the measure. With a much better knowledge of human affairs; with a more profound statesmanship than Cobden, Peel, or Bright, this man, although scarcely mentioned in English commercial history, was possessed of a wisdom far beyond that of his three contemporaries, who have been advertised and exalted by free trade writers since that time. Greater inconsistencies are not to be found in the writings and speeches of any man of the time than in those of Cobden. An absolute failure as prophet, he placed a low estimate on the ability and patriotism of the statesmen and people of other nations. He was ignorant of the effect upon trade and commerce, of the economic changes which were then taking place and which were fully comprehended by the public men of the time. He was attempting to commit the people of England to a policy which in the very nature of things could be only of short-lived advantage to the manufacturers. He is not to be compared with such men as Lord George Bentinck, who, in defending the protective policy and speaking of the effect of free trade upon all the industries of the nation, said :

It is a measure which is not confined in its operation to this great class. It is calculated to grind down countless smaller interests, engaged in the domestic trade, and interests of the empire, transferring the profits of all these interests, English, Scotch, Irish and Colonial, great and small alike, from Englishmen, from Scotchmen and from Irishmen, to Americans, to Frenchmen, to Russians, to Poles, to Prussians and to Germans.¹

If Lord George Bentinck stood in the British Parliament to-day, after forty years of experience, he could not state the case more accurately.

*The
Marquis of
Granby.*

The late Duke of Rutland, then the Marquis of Granby, was one of the most able and conscientious upholders of the policy of protection, and during his long career which closed in 1888, he saw all of his predictions and opinions upon the effect of the measure fulfilled. The Times of March 5, 1886, in speaking of his attitude at the time the foreign laws were under discussion, said :

But by the time the Corn Law agitation had assumed formidable proportions he was recognized as one of the principal leaders of the protectionist party. When Sir Robert Peel brought forward his great free trade measure in 1846, the Marquis of Granby, while giving the Premier credit for pure and honorable motives, declared that if he had promulgated the same opinions in 1841, he would never have been suffered to propose them as a Minister of the Crown. The effect of free trade might be to increase the exports, but Lord Granby maintained that the home consumption of manufactures would fall off in equal proportion, as agriculturists would be deprived of funds wherewith to purchase them.

¹ Fair Trade Journal, Vol. III, p. 276.

The position occupied by this distinguished protectionist is indicated by the fact, that for a time in 1848, he was selected to succeed Lord George Bentinck as the leader of the protectionist party. The Times said of his speeches on the question:

At the close of the same session when Mr. Disraeli moved for a select committee to consider the state of the nation, Lord Granby delivered a speech which created a marked impression. In opposition to Sir Robert Peel, he maintained that the disastrous condition of the laborer was due to free trade, and produced a record of wages in Manchester in 1845 and 1849, which showed that they had been reduced in every species of manufacture without an equivalent in the fall of prices. He also emphatically denied the charge that the country gentlemen desired to maintain their rents, at the expense of the laboring classes. In several succeeding sessions the Marquis returned to the subject, uniformly contending that the distress in the agricultural districts was owing to legislation and that it must assume a permanent character unless the causes were removed.

In supporting Mr. Disraeli's motion in favor of the relief of agriculture in the session of 1851, his lordship said that: "After five years' experience of free trade the landed interest was in a worse position than when it began. The Legislature," he held, "would be compelled, sooner or later, to return to protection, admitting the principle that for every tax imposed upon the home producer an equivalent tax must be laid upon the foreigner."

At the dinner given by the master cutlers in Sheffield, in 1885, he spoke as follows: "With a small duty on corn I would put a heavy duty upon all manufactured articles. I would admit raw materials free; I would take off the duty on tea and sugar and above all, the poor man's tobacco." This sound protectionist doctrine is the expression of an able and conservative statesman, who had lived under both policies and had seen the actual workings of thirty-five years of free trade.

The following speech, delivered by Lord Derby in defence of protection to agriculture, refutes many statements of free traders as to the effect of the Corn Laws upon the price of wheat. He said:

*Lord
Derby's
position.*

My lords, you are called upon to abandon the Corn Laws of 1842. And why? In what respect has it deceived your expectations? How has it falsified your prophecies? Your prophecies have been realized to a wonderful degree of accuracy. In what respect has it failed? The object of this and every Corn Law I take to be, to place this country in a state of virtual independence of foreign countries for its supply of food. I know that object may be scouted by some of the very enlightened politicians of the present day, but it was not thought unworthy the consideration of great men not long passed away from among us; and if your lordships will forgive me for referring to it, I will quote a passage from a letter of Mr. Huskisson, which puts the whole question in a few words in the clearest light in which it can be seen. He was writing at the close of the war, and his sentiments are worthy of the deepest attention. We have forgotten the circumstances of that time; some of us, indeed, are too young to remember them, but generally we seem not to remember in dealing with this question, the evils to which, prior to 1815, this country had been subjected from its dependence for a supply of corn on foreign countries.

The passage quoted from Mr. Huskisson's letter was as follows:

Huskisson's letter.

The present war, it is true, is now at an end; but peace is at all times too precarious not to induce us to guard against the repetition of similar calamities whenever hostilities may be renewed. But even in peace, the habitual dependence on foreign supplies is dangerous. We place the subsistence of our own population not only at the mercy of foreign powers, but also on their being able to spare as much corn as we may want to buy. Let the bread we eat be the produce of corn grown among ourselves, and for one, I care not how cheap it is. The cheaper the better. It is cheap now, and I rejoice at it; because it is altogether owing to a sufficiency of corn of our own growth. But in order to insure a continuance of that cheapness and that sufficiency, we must insure our growers that protection against foreign imports which has produced these blessings and by which alone they can be permanently maintained. The history of the country for the last one hundred and seventy years clearly proves, on the one hand, that cheapness produced by foreign import is the sure forerunner of scarcity, and, on the other, that a steady home supply is the only safe foundation of steady and moderate prices.

Lord Derby resumes:

Derby's defence of the law of 1842.

Now, my lords, you aim by a Corn Law, at independence of foreign supply, accompanied and produced by such an encouragement to your home grower, as shall guarantee him up to a certain point against foreign competition, and shall, beyond that point, protect the consumer against exorbitant and extravagantly high prices, protecting all parties against that which is most injurious to all—rapid and sudden fluctuations. Now, I say, that beyond any law which has ever been in force in this or any other country, this law of 1842 has accomplished these its great and main objects. First, with regard to the provision of a home supply, we have no statistical tables in this country and it is a great pity we have not, by which we could ascertain year by year, the amount of the production of the country, but if it can be proved that in a state of society in which the population is increasing as rapidly as has been stated by the noble Earl, and in which, let me add, the proportion of wheat consumers is increasing more rapidly, still the population of this great country has not alone had a sufficiency to meet the increased demand, but has had that sufficiency at a reduced price and with a diminished and not an increased supply from abroad, then my lords, I maintain that the inference is, that protection has fully effected its object; and that by its means we have been enabled to keep pace with the increasing demand of our increasing population. I will show you, my lords, that this has been the case.

Objects of the Corn Law.

I find that speaking of wheat alone—and I shall confine myself throughout to wheat, and not weary your lordships with unnecessary details with regard to other grain, the principles being the same in all—in the course of these last twenty years we have imported 21,432,000 quarters of wheat. The yearly average for the last twenty years amounts to 1,021,000 quarters; for the last three years 741,000 quarters; and in the course of the last year it was 308,000 quarters. Has this result, I would ask, been produced by any increased price of wheat at home? A great number of fallacies have been made use of, and statements attributed to us, who defend this Corn Law, which we never uttered. We are constantly told that the intention of this Corn Law was to guarantee to the farmer the price of 55s. a quarter. The intention of the Corn Law was no such thing. My Right Honorable friend in introducing the measure, stated that if by legislation he could fix the average price of corn he would fix it from 54s. to 58s. The avowed object of the Corn Law, therefore, was this, that when the price is above 58s. the consumer should be protected by a large influx of foreign corn, and that when the price was below 54s. the producer

should be protected against any other competition than that which he can engage with upon equal terms—namely, competition with those who are exposed to the same vicissitudes of the same climate, and who have the same advantages and are subject to the same burdens and restrictions with himself.

What has been the result of the Corn Law as far as the consumer is concerned? I find that the average price of wheat for the last twenty years has been 57s. 4d. a quarter, whilst the average price for the last three years, since the Corn Law passed, has only been 50s. 9d., and the price last year, which we have been told was a period of great scarcity, was 50s. 10d. My Right Honorable friend stated his wish to keep the price between 54s. and 58s., and since the passing of the bill the annual average price has not risen above 50s. 9d., or 50s. 10d.

But a return laid before the House of Commons gives a more accurate test of the operation of the sliding scale, and of the manner in which it acts to check the tendency to a rise of price whenever the tendency is exhibited. The paper I allude to is a return of the weekly prices of corn in every week from March, 1844, to March, 1846; and, with respect to those one hundred and four weeks, the result was that the price has been between 54s. and 58s. in no less than forty-three of these weeks; the price has been below 54s. in fifty-four other weeks; the price has been above 58s. in seven weeks only, and the price has never risen in any one week above 59s. So far, therefore, as concerns the consumer, has he any right to say that the Corn Law has deceived any expectations he was led to form of it? Now, although it is quite true that the prices of corn have fallen considerably below that which was anticipated by Right Honorable friend, if we look to the total amount imported since the great influx of 2,500,000 quarters, immediately after the passing of that measure, we shall find that of 2,000,000 quarters which have come in since that time there have been entered under 55s. only 305,000 quarters; between 55s. and 59s., the actual point at which we desired to limit it by the bill, 1,475,000 quarters; and between 59s. and 62s., 261,000 quarters. I conceive, therefore, the law has operated in the manner, and nearly to the extent it was expected to operate.

*Effect of
the sliding
scale.*

Another great and important point respects the fluctuations in the price of corn. Since this passed the fluctuation of price which has taken place between 1844 and 1846 is only from 58s. 4d., to 45s. 2d. The whole difference between the highest week and the lowest week in these two years was not a difference of 30 per cent. The greatest weekly fluctuation in the price between any one week and the succeeding is 1s. 6d.; and the greatest fluctuation in any period for the whole four weeks of the month is a fluctuation of 4s., and no more.

But if your lordships wish to refer to a period of the greatest fluctuation in this country, refer to the period between 1792 and 1805; a period when there was the greatest dependence on the foreigner. Hear on this subject the evidence of Mr. Malthus, in a pamphlet written by him in the year 1814. He says: "During the last century the period of our greatest importation and dependence on foreign corn was between 1792 and 1805, and certainly in no four years of the whole century was the fluctuation so great. In 1792 the price was 42s.; in 1796, it was 77s.; in 1801, it was 118s.; and in 1803, 56s." So that between 1792 and 1801 the price was almost tripled; and in the short period between 1798 and 1803 it rose from 50s. to 118s., and fell again to 56s., and that in that period of the history of this country in which we were most dependent on foreign supply.¹

It was on the third reading of the Repeal of the Corn Laws Bill, in 1846, that Mr. Disraeli said:

*Protectionist
prophecy.*

It may be in vain now, in the midnight of their intoxication, to tell them that there will be an awakening of bitterness. It may be idle now in the spring-tide

¹ Fair Trade Journal, Vol. I, p. 170-1.

of their economic frenzy, to warn them that there will be an ebb of trouble. But the dark and inevitable hour will arrive: then—when their spirit is softened by misfortune—they will recur to those principles which made England great, and in our belief can alone keep England great. They may then perchance remember, not with unkindness, those who, betrayed and deserted, were neither ashamed nor afraid to struggle for the good old cause—the cause with which are associated principles the most popular, sentiments the most entirely rational—the cause of labor, the cause of the people, the cause of England.¹

The bill was opposed by the most experienced statesmen and the most broad-minded members in the body. The reader will be interested to know that upon the real test to which the principles of free trade were subjected during the years which have followed, every essential prediction made by Richard Cobden and his associates, as to their effect upon the industries of the country, proved false; while the protectionists fully realized the disasters which the change of policy would bring upon the English people. The weakness of the ministry in yielding to the free trade clamor, proved their utter unfitness to deal with great economic problems.

Mr. Baring in his remarks in opposition to the passage of the measure well said, "He believed that the greatest want under which the country labored was the want of ministers, and the most appalling scarcity was that of statesmen."²

Mr. W. Miles said, "He foresaw that the time would soon arrive when the people of these islands would curse the day when their government was entrusted to a temporizing minister."³

*Superiority
of English
manufac-
tures.*

Sir Robert Peel, in his closing remarks, defended the measure on the ground of the superior fitness of the English industries to meet free competition. He said, "Iron and coal, the sinews of manufacture, give us advantages over every rival in the great competition of industry. Our capital far exceeds that which they can command. In ingenuity, in skill, in energy, we are inferior to none. . . . And is this the country to shrink from competition?"⁴

In this statement he expressed the grounds upon which Mr. Cobden and his associates had pressed the question from the very start. Their reliance upon the benefits to be derived from the practical operation of free trade rested solely upon their ability to undersell and destroy every rival in every market equally accessible to both. The student of tariff history should not lose sight of the advantage which the English manufacturer then held in this respect. This fact was kept prominently in the foreground by the advocates of free trade from the very inception of the movement, and should never be lost sight of by any people of any country in adopting a tariff policy.

The debate which followed the introduction of this measure lasted twelve nights. Forty-eight speeches were delivered in favor of free trade,

¹ Fair Trade Journal, Vol. I, p. 20.

² History of Free Trade Movement in England, p. 145.

³ Id., p. 145.

⁴ Id., p. 155.

and fifty-eight in favor of protection. The bill finally passed in its third reading on the fifteenth of May, at four o'clock in the morning, by 327 in favor, and 229 against. By the twenty-sixth of the same month, it had passed the House of Lords and received the approval of the Queen.¹

As the excitement of the occasion passed away and the country settled down to the practical operation of its provisions, the tenant farmers began to feel the blighting influence of the competition to which they were exposed. That natural protection which their location secured to them under the cost of transportation, was insufficient to accomplish the results which had been pointed out by Mr. Cobden, even before material reductions had been made in freight rates. It is very interesting to note the position taken by Mr. Cobden and his associates as they saw the farmers of England enter the life-and-death struggle in which they had been plunged by those who had conspired to bring about their ruin. In less than five years after the passage of the bill imports began to come in. A depreciation in values began and discouragement pervaded the entire rural population. They saw that their industry was doomed, but they were powerless to restore that safeguard which had been destroyed. A few meetings were held in their interests, but the cotton manufacturers had such absolute control of the politics of the country, that nothing could be done. The situation is concisely stated in a speech by Mr. Butt, Q. C., at a protectionists' meeting held in Derby Lane, April 29, 1851, in which he said :

*Immediate
effects of
repeal.*

The object of the free traders was the extermination of the tenant farmers of England. It was not a landlord's question. The tenant farmers of England stood between the landlords and ruin. Ruin could not reach the landlord till the tenant farmers and the agricultural laborers were both destroyed. No less than 230,000 of small farmers had left Ireland. It was much easier to destroy a man with thirty acres, than a man with five hundred; but the process that had ruined these 230,000 would, if free trade were not reversed, reach the farmers of England too.²

During the years which followed the exchange of manufactured goods for the farm produce of other countries increased. The manufacturers were prospering, but the farmers were being ruined. The real purpose for which the Anti-Corn Law League was organized was being accomplished. Prosperity in Manchester meant immense suffering in the rural homes. No excuse or apology has been offered by Mr. Cobden or his associates to the people whom they deceived and ruined. They have never intimated that free trade in its effect on agriculture turned out differently from what they expected. They have never so much as said that they were mistaken when they were riding the rural districts and telling the farmers that they would not suffer from foreign competition. While one can have respect for Colonel Thompson, who told the agriculturists that the country could get along without them, the speeches of Cobden and the

*Ruin of the
farmers.*

¹ History of Free Trade Movement in England. ² Fair Trade Journal, Vol. II., p. 375.

*Cobden's
proposed
remedy.*

statement of the Anti-Corn Law League made in the pamphlets which it circulated among the tenant farmers, remain a blot on the reputation of those men who by deliberate falsehood perpetrated the grossest frauds on an industrious and confiding people. The persistent effort on the part of members of the Cobden Club to surround that group of men with an atmosphere of lofty morality, has vested the cause of free trade with a character to which it has never been entitled. No sooner had complaints arisen among the farmers of England than Richard Cobden began anew to invent remedies for their distress. This species of ingenuity has ever been one of the chief characteristics of the free trade agitator.

At a meeting held at Aylesbury, January 9, 1853, Mr. Cobden attempted to point out a remedy by advising a reduction of rents, under which the loss would fall on the landlord. He said :

And if the farmers cannot carry on their business, it is because they pay too high rent in proportion to the amount of their produce. I do not say that in many cases the rents of the landlords might not be excessive, provided the land were cultivated to its full capacity. But that it cannot be done without sufficient capital, and that sufficient capital cannot be applied without sufficient security, or without a tenant right, or a lease amounting to tenant right. We want to bring the land owner and the tenant together, to confront them in their separate capacity as buyers and sellers; so that they might deal together as other men of business, and not allow themselves to play this comedy of farmers and landlords crying about for protection, and saying that they are rowing in the same boat, when in fact they are rowing in two boats in opposite directions.

Fertile in his resources for inventing remedies for the terrible calamity he had brought upon his countrymen, his statement at this time was no less deceptive and disingenuous than his utterances to the farmers before the Corn Laws were repealed. He then denounced every one who predicted the ruin of the agriculturalists as "gross humbugs," when he told them that "free trade will make the agriculturist of this country capable of competing with the farmers of any part of the world." Now he tells them that the land must be "cultivated to its full capacity," but that "this cannot be done without sufficient capital and that sufficient capital cannot be applied without sufficient security, or without a tenant right, or a lease amounting to a tenant right." He comes now to a vital proposition, the tenant must acquire such an ownership in the soil of the realm, that if he desires to borrow capital for his business he will have something tangible to offer as security. But no effort was made on the part of the free traders to abolish the system of land tenures by which the soil of the country was held by a few individuals, tied up and transmitted from one generation to another, to the exclusion of the possibility of a farmer's becoming the owner of a small piece of land. Not one step was ever taken by the free traders of England to make the land of the country alodial. Richard Cobden well knew the situation of the farmer—that with a decaying business, with his property depreciating in value, security on personal property would not be

taken. The result was inevitable. The farmer must be driven out. The man with a lease of thirty acres, as Mr. Butt said, can more easily be ruined than a man with five hundred acres.

After the Corn Laws were repealed, and the work of the League accomplished, it then threw off the mask and boldly announced to the world that if the farmers of England were unable to survive the competition of foreign countries, it was no fault of free trade, and they must perish. They had either obtained the influence of tenant farmers or had allayed their active opposition by false pretences, fallacies and deceptive arguments. They had told them that the repeal of the Corn Laws was necessary to save the farmer himself from ultimate ruin, that free trade would raise the price of farm produce and that England could compete with any country in the world. In 1854, when the farmers of England were crying out against the impending ruin, the Anti-Corn Law League comes to the rescue again, but with an entirely different argument. It now announces a great, *scientific truth, a fundamental principle of economics, a law of nature*, as will appear from the following quotation taken from "The Charter of the Nations," in which the Anti-Corn Law League gave to the world its review of one phase of the free trade movement :

*Free trade
and the
farmers.*

In order to make out the beneficial influence of free trade on our agricultural interests, it is by no means necessary to prove that agriculture is at the present moment as profitable to those who are engaged in it as it was under our protective system. The permanent utility of the change to agriculture itself, may render inevitable a temporary diminution of profits. Measures which are in the highest degree beneficial to the bulk of a population, may for a time be anything but beneficial to particular sections of it. The immediate effect of free trade upon interests formerly protected, is to test their real value to the nation, to ascertain whether they can profitably support themselves, without receiving their accustomed subsidy from the pockets of the people. As soon as they are exposed to competition, the persons engaged in them are obliged to tax their utmost resources, and apply to their development the highest amount of skill and energy. For a time the struggle may be hard, and less profits may be realized than on the old system, *but if in a national point of view, such interests are worth cultivating, the foreigner will soon be driven from the market. If they are not worth cultivating they will soon become extinct, nor is there any reason, in such circumstances, to wish their perpetuation. Our agriculture is just now undergoing this wholesome ordeal, after ages of prescriptive right our farmers have to contend for existence. That command of the British market which they have hitherto secured by unjust laws, they must now secure by superior energy, or abandon it to their rivals.* But free trade is not to be blamed for this struggle. If smaller profits are for a time the result, it is not to be imputed as a fault to the change which has been brought about in our commercial system.¹

*Indifference of free
traders to
the fate of
agriculture.*

The organization of farmers' clubs, and schools are recommended in which their sons may receive instruction "in vegetable anatomy, physiology, the physical properties of the soil, the action of ameliorators, stimulants and manures." The use of machinery, scientific methods and numerous other receipts for restoring life to the agriculture of the country

¹ Pp. 217-19.

are suggested. This advice would have been excellent if it had come from a different source, and had been given under different circumstances. The Anti-Corn Law League knew from the very inception of the movement that free trade in the products of the farm would ruin and ultimately wipe out the agricultural interests of England. Its whole course and the result which followed, as will appear later, are commended to the earnest consideration of those farmers in the United States to whom the Cobden Club has been addressing circulars during the past fifteen years.

Duties retained in the minor industries.

While it is commonly stated that free trade was introduced into England in 1846, yet this is true only in part. Protection was withdrawn from the agricultural interests of the kingdom, duties were removed from raw materials, and from the products of the great textile, iron and steel industries; at the same time, a moderate, and what was regarded as adequate, protection was maintained in favor of many minor industries. The duties on woollen and worsted yarns were removed in 1853, at which time a further reduction of the tariff was made under Mr. Gladstone. In the debate upon the question of the modifications in 1853, Mr. Gladstone said that, they propose to abolish all duties on articles of manufacture, "except such as are in the last stage as finished articles, and are commonly connected with hand labor; in regard to which cases, we have thought it more prudent and proper to proceed in the mode not of abolition, but of reduction."¹ A duty equivalent to ten per cent ad valorem was continued on the following articles, with the exception of silk, which was 15 per cent, until 1861 and 1862, when all duties were swept away and the work which was begun by Cobden and his associates, and carried through parliament under the nominal leadership of Peel, was consummated by Mr. Gladstone:

ARTICLES WHOLLY MANUFACTURED.

Articles on which duties were retained until 1861-62.

Silk, not made up.	Beer and ale.
Cotton, wholly or in part made up.	Clocks.
Wool, wholly or in part made up.	Watches.
Flax, wholly or in part made up.	Canes, umbrellas, parasols, etc.
Iron and steel, wrought or unwrought.	Candles.
Brass and copper.	Hats and bonnets.
China and earthenware.	Embroidery and needlework.
Glass.	Leather, manufactures of boots, shoes.
Opera glasses, etc.	Musical instruments.
Paper.	Chemical oils, essential and perfumed.
Extracts and essences.	Japanned or lacquered ware.
Bronze.	Lace.
Coil rope, twine and strands.	Cork, ready made.
Copper plates.	Cotton fringes.
Copper wire.	Cotton gloves, or of thread.
Feathers, ostrich, dressed.	Stockings of cotton thread.
Artificial flowers.	Socks, or half hose, of cotton or thread.

¹ Mr. Gladstone's Budget Speech, April 18, 1853, revised edition.

Gutta percha, manufactures of, such as	Cambric handkerchiefs, hemmed, or hand-
bands, shirts, soles and tubing.	kerchiefs not hemmed.
Articles made of linen, wholly or partly	Lace thread.
made up.	Soap.
Starch.	

ARTICLES PARTIALLY MANUFACTURED.

Wood and timber, sawed and split.	Gum shellac and lac dye.
Olive oil.	Verdigris.
Plaiting.	Woolen and worsted yarn.
Iron in bars, unwrought.	Silk thrown.
Palm oil.	Drawback on silk manufactures exported.
Hides, tanned, tawed, curried or dressed.	Other articles.

It is undoubtedly true that it was intended to shield the industries represented by the foregoing list of articles from competition until they became strong enough to hold their own; but the circumstances under which the free trade movement was started, and the object which it had in view would not permit a half-way policy of this character. The English manufacturers, immediately after the legislation of 1846, entered upon a crusade to convert the people of other nations to the doctrine of free trade. To break down the tariff barriers which excluded their great textile fabrics from the United States and the Continent was the great central purpose which brought into existence the Anti-Corn Law League, and induced every step which had been taken in the direction of free trade. They were at once, however, met with the charge that they had not adopted free trade, that they were still continuing protection to all those industries which might be injured by free competition. The answer that the duties upon this class of articles were levied wholly for revenue purposes was not sufficient, inasmuch as the total revenue derived from such sources was very insignificant. The revenue derived from customs duties in 1859 was as follows :

Articles in a raw state to be used in manufactures, ...	\$ 1,528,395	<i>Revenue from cus- toms duties.</i>
Articles partially manufactured, ...	2,076,495	
Articles wholly manufactured.	3,032,575	
Articles not properly belonging to either of the foregoing classes, . .	139,120	
Articles of food, spirits, etc.:		
Sugar, ...	29,685,050	
Molasses, ...	793,120	
Tobacco and snuff, ...	27,867,335	
Tea, ...	27,035,945	
Wines, ...	9,210,815	
Rum, ...	7,301,885	
Brandy, ...	4,901,665	
Other spirits, ...	205,630	
Coffee, ...	2,146,670	
Butter, ...	522,940	
Carried forward, ...	\$109,671,055	

Brought forward, ...	\$109,671,055
Fruit, including nuts, ...	1,292,065
Currants, ...	1,898,660
Corn (breadstuffs), ...	2,637,715
Cheese, ...	248,280
Other articles, ...	998,275

Total on articles of food, spirits, etc., ... \$116,746,050

Total revenue from customs duties in 1859, ... 123,522,635

Of the \$1,528,395 collected from duties on articles in a raw state to be used in manufactures, nearly the whole sum, to wit: \$1,150,790 was collected from the imports of timber, not sawed or split. \$377,325 of the remainder was collected from the import of tallow, leaving only \$280 from other articles.

Of the \$2,076,495 collected from articles partly manufactured, \$1,985,115 came from wood and timber sawed or split.

Of the \$3,032,575 collected from duties on fully manufactured articles, over one-half, or \$1,537,800, was derived from duties on silk goods. The other portion was divided between the several articles upon which duties were imposed as follows:

Cotton, wholly or in part made up, ...	\$ 27,275
Wool, wholly or in part made up, ...	19,040
Flax, wholly or in part made up, ...	4,135
Iron and steel, wrought and unwrought, ...	8,065
Brass and copper, ...	7,785
China and earthenware, ...	18,525
Glass, ...	27,205
Paper, ...	74,885
Opera glass, etc., ...	14,300
Extracts and essences, ...	1,770
Bronze, ...	6,935
Beer and ale, ...	16,640
Clocks, ...	44,890
Watches, ...	81,335
Canes, umbrellas, parasols, etc., ...	1,750
Candles, ...	1,305
Hats and bonnets, ...	6,155
Embroidery and needlework, ...	47,815
Leather, ...	368,700
Musical instruments, ...	61,540
Chemical oils, essential or perfumed, ...	57,675
Japanned or lacquered ware, ...	1,090
Lace, ...	22,885
Other articles, ...	573,075

	\$1,494,775
Silk, ...	1,537,800

Total \$3,032,575

*Free trade
legislation
completed.*

There was no necessity then for continuing the duties on manufactured and partly manufactured articles for the purpose of providing

revenue. The comparatively small sum derived from these sources could easily be obtained by increasing the duties on food products, from which \$116,746,050 was already collected. Only slight changes were necessary in order to reach a purely revenue basis and subject every industry to the influence of free competition. The free trade element of England had reached a point in its efforts to extend the proposed policy to other countries, at which it became absolutely necessary to take the lead and go to the full extent of applying its principles to every home industry. By 1862 this was virtually accomplished. In 1860 a Reciprocity Treaty was made between England and France, under which it was agreed that English manufactures should be admitted into France under ad valorem duties not exceeding 30 per cent, while French silks were to be admitted into England free of duty. This treaty was negotiated by Richard Cobden with Napoleon III., who was in England from 1837 to 1839, and had imbibed some free trade notions which were favorable to Cobden's plan.

After the adoption of the French Treaty, parliament was induced to take the final steps in the free trade legislation of the country. In 1861 duties on butter, cheese, silk manufactures, etc., were repealed. In 1862 paper and other articles were put on the free list. In 1867 duties on pepper, wood and timber were repealed, and in 1870 the insignificant duties which had been continued on corn and flour, were removed. In 1871 duties on sugar and molasses were reduced and were finally repealed in 1875. It is not necessary to follow through in detail the various changes which were made in the customs tariff by parliament after 1860. While slight changes have been made in readjusting, reducing, or increasing duties, the general policy as it was perfected in 1862, has remained unchanged to the present time.

The following table shows the customs tariff of the United Kingdom, as published by the International Customs Journal, printed by the International Customs Tariff Bureau, in 1894:¹

*The British
customs
tariff, 1894.*

No.	Articles.	Unit.	Rates of Duty.	
			English.	Equal to—
			£. s. d.	
1	Cocoa, ...	Per pound . . .	0 0 1	\$0.02
2	Husks and shells, ...	Per cwt	0 2 0	.49
3	Cocoa or chocolate, ground, prepared or in any way manufactured, ...	Per pound	0 0 2	.04
4	Coffee, raw, ...	Per cwt	0 14 0	3.41
5	Kiln dried, roasted or ground	Per pound	0 0 2	.04
6	Chicory : Raw or kiln dried, ...	Per cwt	0 13 3	3.22
7	Roasted or ground, ...	Per pound	0 0 2	.04
8	Chicory (or other vegetable substances) and coffee, roasted and ground, mixed, ...	. . do	0 0 2	.04

¹ Bulletin No. 1, United States Department of Agriculture, p. 14.

No.	Articles.	Unit.	Rates of Duty.	
			English.	Equal to—
			£. s. d.	
9	Fruit, dried :			
	Currants, ...	Per cwt	0 2 0	\$0.49
10	Figs and fig cake, plums, prunes and raisins, ...	do	0 7 0	1.70
11	Tea, ...	Per pound . . .	0 0 4	.08
	Tobacco :			
12	Unmanufactured, stemmed or unstemmed—			
	Containing in every 100 pounds weight thereof—			
	10 pounds or more of moisture, ...	do	0 3 2	77
	Less than 10 pounds of moisture, ...	do	0 3 6	.85
	Manufactured—			
13	Cigars, ...	do	0 5 0	1.21½
14	Cavendish or negro-head, .	do	0 4 6	1.09½
15	Snuff, containing in every 100 pounds weight thereof :			
	More than 13 pounds of moisture, ...	do	0 3 9	.91
	Not more than 13 pounds of moisture, ...	do	0 4 6	1.09½
16	Other manufactured tobacco and cavendish or negro-head man- ufactured in bond from unman- ufactured tobacco.	do	0 4 0	.97
	Wine :			
17	Not exceeding 30° of proof spirit	Per gallon . . .	0 1 0	.24
18	Exceeding 30° but not exceeding 42° of proof spirit, ...	do	0 2 6	.60½
19	And for every degree, <i>a</i> , or part of a degree beyond the highest above charged an additional duty, ...	do	0 0 3	.06
	Sparkling wine :			
20	Imported in bottles, <i>b</i> , ...	do	0 2 0	.60½
21	Imported in bottles when the market value is proved not to exceed 15 shillings per gallon. To countervail excise duty upon Brit- ish beer :	do	0 1 0	.24
22	Beer and ale, the worts of which were before fermentation of a specific gravity of 1,055° (and so on in proportion for any dif- ference in gravity), ...	Per barrel of 36 gallons.	0 6 6	1.58
	Beer called mum, spruce or black beer, and beer called Berlin white beer, and other preparations, whether fermented or not fer- mented, of a character similar to mum, spruce, or black beer, the worts of which were, before fer- mentation, of a specific gravity—			
23 {	Not exceeding 1,215°	} . do . . . {	1 6 0	6.22½
	Exceeding 1,215°		1 10 6	7.42

No.	Articles.	Unit.	Rates of Duty.	
			English.	Equal to—
	To countervail excise duty upon British spirits :		£. s. d.	
24	Spirits or strong waters— For every gallon computed at hydrometer proof of spirits of any description (except perfumed spirits), including naphtha or methylic alcohol, purified so as to be potable; and mixtures and preparations containing spirits,	Per proof gallon	0 10 10	\$2.63
25	For every gallon of perfumed spirits, ...	Per gallon . . .	0 17 3	4.20
26	Liquors, cordials or other preparations containing spirits in bottle, entered in such a manner as to indicate that the strength is not to be tested, ...	. . do	0 14 8	3.57
27	Chloroform, ...	Per pound . . .	0 3 1	.75
28	Chloral hydrate, ...	. do	0 1 3	.30
29	Collodion, ...	Per gallon . . .	1 5 0	6.08½
30	Ether, acetic, ...	Per pound . . .	0 1 10	.45
31	Ether, butyric, ...	Per gallon . . .	0 15 8	3.81
32	Ether, sulphuric, ...	. do	1 6 2	6.36
33	Ethyl, iodide of, ...	. do	0 13 7	3.35
34	Soap, transparent, in the manufacture of which spirit has been used. To countervail stamp duties on British made articles :	Per pound . . .	0 0 3	.06
35	Cards, playing, ...	Per dozen packs.	0 3 9	.91

a The word "degree" does not include fractions of the next higher degree. Wine includes lees of wine.

b The duties on sparkling wines are in addition to the duties in respect of alcoholic strength.

AMOUNT OF THE IMPERIAL REVENUE (EXCHEQUER RECEIPTS) OF THE UNITED KINGDOM UNDER THE PRINCIPAL HEADS THEREOF.

The revenue derived from duties on imports under the foregoing schedule in 1894 (Statistical Abstract for the United Kingdom of 1894, page 16) was as follows:

CUSTOMS.	
Tea, ...	\$17,465,470
Coffee, ...	729,925
Spirits, foreign and colonial, ...	20,653,425
Wine, ...	6,050,710
Tobacco and snuff, ...	50,599,760
Currants, raisins and dried fruit, ...	1,825,465
Other imported articles, ...	896,320
Miscellaneous receipts, ...	172,415

Total receipts from customs, ... \$98,493,490

Revenue.

The following sums were derived from inland taxation:

EXCISE.	
Spirits, ...	\$75,946,725
Beer, ...	47,684,740
Licenses, ...	1,172,820
Railways, ...	1,395,465
Coffee mixture, labels and chicory, ...	14,250
Other receipts, ...	20,350
Total receipts from excise revenues, ...	\$126,234,350
STAMPS.	
Deeds and other instruments, ...	\$13,200,455
Probate duties, ...	11,815,295
Estate duty, ...	6,161,145
Legacies and successions, ...	19,917,545
Life insurance, ...	273,975
Marine insurance, ...	695,020
Bills of exchange, bankers' notes, and composition for duty on bills and notes, ...	3,845,640
Receipts and drafts, ...	5,833,860
Other receipts, ...	2,175,230
Total receipts from stamps, ...	\$63,918,165
MISCELLANEOUS.	
Land tax, ...	\$5,175,000
House duty, ...	7,125,000
Property and income tax, ...	76,000,000
Post-office, ...	52,350,000
Telegraph service, ...	12,700,000
Crown lands, ...	2,100,000
Interest on advances for local works and on purchase money of Suez Canal shares, etc., ...	1,093,150
Fee and patent stamps, ...	4,354,220
Receipts by Civil Departments, etc., ...	5,934,680
Total miscellaneous, ...	166,832,050
Total revenue of the United Kingdom in 1894, ...	\$455,478,055

Expenditures.

AMOUNT OF THE IMPERIAL EXPENDITURE (EXCHEQUER ISSUES) OF THE UNITED KINGDOM UNDER THE PRINCIPAL HEADS THEREOF.

NATIONAL DEBT SERVICES.	
Interest, ...	\$80,663,440
Terminable Annuities: Trustee Savings Bank Deficiency Annuity, ...	31,967,520
Unfunded debt, ...	2,341,525
Management of the debt, ...	894,555
New sinking fund, ...	9,132,960
Total, ...	\$125,000,000
Interest on loans, ...	1,000,000
Total for National Debt Services, ...	\$126,000,000

Civil List and Civil Administration, ...	\$98,786,430
Army, including Army Purchase Commission, . .	\$89,698,500
Army ordnance—factories, ...	1,500
Navy, including Transport Service, ...	70,240,000
Annuity under "Indian Army Pension Deficiency Act, 1885,"	750,000
Naval Defence Fund, ...	7,142,855
Total naval and military expenditure, ...	\$167,832,855
Total expenditure, excluding cost of collection,	\$392,619,285

CHARGES FOR THE COLLECTION OF THE REVENUE.

Customs, ...	\$4,229,745
Inland Revenue, ...	9,125,200
Post-office, ...	33,605,000
Telegraph Service, ...	13,320,000
Packet Service, ...	3,615,000
Total expenditure chargeable against revenue,	\$456,514,230

In order to admit all manufactured articles free of duty and to put into practice the policy of free trade, it became necessary to resort to a most burdensome and oppressive system of internal taxation. The taxation upon houses, lands, incomes and estates for the support of the general government, together with the system which requires stamps to be placed on all legal documents, bills of exchange, receipts and commercial paper, etc., is a most extreme exercise of the taxing power. Such methods have been resorted to in the United States only in times of war. The \$17,000,000 collected in duties on tea is certainly a tax on the breakfast tables of the people, while silks, embroideries, Oriental wares, diamonds, jewelry and the luxuries consumed by the aristocracy are admitted free of duty. The whole country is being flooded with the manufactured produce of the Continent which, by displacing domestic productions, is undermining industries, throwing labor out of employment, reducing wages, and impoverishing the nation. English economists have such exalted opinions upon the subject of taxation, and owe such allegiance to their free trade creed, that they are compelled to perpetuate a system of taxation to which the people of the United States would not submit for a moment, excepting under the necessities arising in times of war. The system of taxation pursued is a "Tariff for revenue only." Duties are imposed on those articles the like of which cannot be produced in England, while competing articles are admitted free.

*Oppressive
system of
taxation.*

CHAPTER III.

ENGLAND UNDER FREE TRADE FROM 1850 TO 1874.

THE FREEBOOTER'S SONG.

Free! Free! Is not the pirate free
To take what he can get, and keep what he can hold?
This is the freebooter's admirable plea.
He sails in his barque o'er the wildly rolling sea,
And he plunders at his ease, and he hoards the shining gold.
Nothing for thee,
And much for me,
Free trade befits the free.

Free! Free! Come twaddle not to me
Of the workman's falling wage, or of want and ruin nigh,
Grief's voices at a distance make a pleasant harmony
Is my pocket to be filled? Is't to be or not to be?
In the dearest mart I'll sell, in the cheapest mart I'll buy.
Ruin for thee,
The gains for me,
Free trade befits the free.

—Archer Gurney.¹

You would fain sell canvas as well as coals, and crockery as well as iron; you would take every other nation's bread out of its mouth if you could; not being able to do that, your ideal of life is to stand in the thoroughfares of the world, like Ludgate apprentices, screaming to every passerby: "What d'ye lack?"—*Ruskin*.

*The aim
of British
free trade.*

The student of free trade theories and arguments should at the outset understand the purpose which Cobden and his associates had in view when the tariff policy of England was changed. The great end in view was to make England the manufacturing centre of the world, while other countries should be confined to the production of food stuffs and raw materials. This is shown not only by the propositions laid down as the basis of their economic creed, but by the openly expressed declarations of many of their statesmen and the literature of the time. Lord Goderich in addressing the House of Lords, said:

Other nations knew, as well as the noble lord opposite, and those who acted with him, that what we (the English) meant by free trade was nothing more nor less than, by means of the great advantage we enjoyed, to get the monopoly of all their markets for our manufactures, and to prevent them, one and all, from ever becoming manufacturing nations.

¹ Fair Trade, Vol. 2, p. 190.

The policy that France acted on was that of encouraging its native manufactures, and it was a wise policy; because, if it were freely to admit our manufactures it would speedily be reduced to an agricultural nation, and therefore a poor nation, as all must be that depend exclusively on agriculture.

The real purpose of the Manchester School is disclosed by a private conversation with one of the Anti-Corn Law agitators, given by Mrs. Trollope, mother of Anthony Trollope, in her "Life of Michael Armstrong." She says :

His idea is—and I should like to see the man who would venture to tell me that it was not a glorious one—his idea is, if we could get rid of our cursed Corn Laws, the whole of the British dominions would soon be turned into one noble collection of workshops. I wish you could hear him talk; upon my soul, it's the finest thing I know. He says that if his system is carried out into full action, as I trust it will be one of these days, all the grass left in England will be the parks and paddocks of the capitalists. Sharpton will prove to you as clearly as that two and two make four, that the best thing for the country would be to scour it from end to end of those confounded idle drones, the landed gentry. They must go sooner or later, he says, if the Corn Laws are done away with. Then down goes the price of bread, and down goes the operative's wages; and what will stop us then, doctor? Don't you see? Isn't it as plain as the nose on your face that when the agricultural interest is fairly drummed out of the field, the day's our own? Our policy is, you must know, to give out that it is the operatives who are clamoring for the repeal of the Corn Laws, whereas many among them, saucy rogues, are as deep as their betters, and know perfectly well, and be hanged to 'em, that our only reason for trying to make "*down with the Corn Laws*," the popular cry is, that we may whisper in their ears, "*down with the wages*" afterward. Ay, doctor, if we can but manage this, England will become the paradise of manufacturers!—the great workshop of the world! When strangers climb our chalk cliffs to get a peep at us they will see, at what point they will, the glowing fires that keep our engines going illuminating the land from one extremity of the island to the other! Then think how we shall suck in—that is, we the capitalists, my man—think how we shall suck in gold, gold, gold, from all sides. The idea is perfectly magnificent! The fat Flemings must give up all hopes of ever getting their finical flax to vie with our cotton again! By Jove, if I had my way, Crockley, I'd turn France and the Rhine into a wine cellar, Russia into a corn bin, and America, glorious America, north, south, east and west, into a cotton plantation. Then should we not flourish? Then should we not bring down the rascals to work at our own prices, and be thankful too? What's to stop us? Trust me, there is not a finer humbug going, than just making the country believe that the operatives are rampant for the repeal of the Corn Laws.¹

*Esoteric
free trade.*

The free trade plan was well understood in England at the time of the agitation for the repeal of the Corn Laws. The effect of free competition, or free trade, upon the industries of the United States and other nations, could only be to build up and perpetuate a monopoly of the manufacturing of the world in England. Speaking upon this subject Frederick Engle, in his "Condition of the Laboring Classes," in 1844,² says:

England was to become the "workshop of the world;" all other countries were to become for England what Ireland already was—markets for her manufactured

¹ Fair-Trade, Vol. 3, p. 91. ² P. 12.

goods, supplying her in return with raw materials and food. England the great manufacturing centre of an agricultural world, with an ever-increasing number of corn and cotton-growing Irelands revolving around her, the industrial sun. What a glorious prospect !

*The new
policy.*

How, then, was this end to be attained ? Force could no longer be resorted to as a means of extending and holding markets. That which hitherto had been secured through the military power of the country, must now be defended and perpetuated by peaceful means. The plan adopted for inducing their rivals to remove protective barriers and open their markets to the free admission of English goods, has been pointed out; but how those markets could be held under free trade, how tariff barriers could be scaled, in case of failure to secure universal free trade; remained a vexed question. The new conditions which had arisen, the new problems which presented themselves for solution, were to be met now by new men. The commercial classes had become all-powerful, and dominated every phase of the political and industrial life of the nation. Those statesmen who had guided the English nation safely through her most perilous hours in the past, and who had adhered to the policy of preserving and fostering every interest in the realm, had passed away. The government was now in the hands of mere money-grabbers. A combination of manufacturers, inexperienced in statesmanship, prompted solely by greed and avarice, had seized the reins of government and made the desire for money-getting purely and solely the basis of the nation's policy. A regard for the welfare of humanity, for the masses of the English people, was repudiated as a mere sentiment which formed no part of the real functions of a government. A solicitude for the welfare of the masses was no longer to trouble the minds of statesmen. Private gain, instead of public welfare, became the higher law. Those functions of government which had become recognized by experienced jurists and statesmen for ages were discarded and overthrown. The civil authorities were to perform no duties, excepting to preserve order. The strong and powerful were turned loose upon the weak and defenceless. From this time on man was to be looked upon as an animal in a jungle, to fight for his life, to survive or perish.

Free trade, free competition, must now regulate everything. A farthing saved on a yard of calico became of more national importance than a fair day's wages to an artisan. The natural state of the masses was held to be perpetual want and misery, with which governments had no right to interfere. All efforts to aid in the building up of industries, through protective legislation, were regarded not only as a violation of economic dogmas, but obstructions and hindrances to universal commercial dominion. The wealth of the few was to be built up at the expense of the many. Cheap labor and low wages were the fulcrum upon which the manufacturer was to place his lever to move the commercial world.

The English nation thenceforward was to become an oligarchy of manufacturers, and every other interest was to be sacrificed to their welfare. The new creed was based upon the lowest and most vicious conception of the obligation and dependence of man as a member of society. The higher duty which man owes to man was left out of their calculation.

"Cheapness" was taken up, not only as a weapon of defence, but as an instrument of aggressive warfare. By "cheapness" their home market was to be retained; by "cheapness" foreign rivals were to be destroyed, and markets won and held. Speaking of the manufacturing interests, and pointing out the means by which a monopoly of markets could be held, Mr. Cobden said:

The campaign of "cheapness."

Upon the prosperity, then, of this interest, hangs our foreign commerce . . . To what are we indebted for this commerce? We answer in the name of every manufacturer and merchant of the kingdom—the cheapness alone of our manufactories. Are we asked, how is that trade protected, and by what means can it be enlarged? The reply is by the *cheapness* of our manufactures. Is it inquired how this mighty industry, upon which depends the comfort and existence of the whole empire can be torn from us? We rejoin, only by the *greater cheapness* of the manufactures of another country.¹

In the foregoing statement Mr. Cobden has announced the very kernel of his creed. The superior machinery, more abundant capital, efficient artisans, extensive trade relations, and means of transportation, which enabled them to undersell all rivals, was recognized by the English manufacturers as the key to the whole question of maintaining their commercial supremacy, and extending their markets. This advantage, with freedom unrestricted to enter all foreign markets, would enable them to suppress all rival industries then existing, and effectually to prevent new ones from arising.

Situated as England was, with all the territory and possessions desirable, her interests now lay in defending and keeping what she had, and making the best use, from a financial point of view, of her resources. Under every view of the situation, peace was most desirable. As Mr. Cobden said, "Men of war to conquer colonies, to yield us a monopoly of their trade, must now be dismissed, like many other equally glittering, but false adages of our forefathers, and in its place we must substitute the more homely but enduring maxim—*cheapness*, which will command commerce; and what ever else is needful will follow in its train." Speaking of the question further, he says: "America is once more the theatre upon which nations are contending for mastery; it is not, however, a struggle for conquest in which the victor will acquire territorial dominion—the fight is for commercial supremacy, and the battle will be won by the cheapest." Thus showing, "that *cheapness* and not the cannon or the sword, is the weapon through which alone we possess and can hope to defend our extended commerce."

¹ Political Writings, chap. 4.

The warfare of competition.

The repeal of the duty on agricultural products was favored for the purpose of providing the artisans of England with cheap bread-stuffs, and hence enable them to subsist on a lower wage rate. It was conceded that meat, vegetables, dairy products, flour, and grain, could be produced more cheaply in Russia, India, Australia, South America, and North America, upon the virgin soil of new countries, than in England. By this their power to produce cheaply would be augmented by reducing the wages of their artisans and keeping them at the lowest possible point. This necessity was recognized in the first stages of the free trade movement.

"Cheapness," how was it to be acquired? From a purely free trade point of view the answer is, by every means possible. Machinery, cheap raw materials, superior skill, inventions, good business methods, and the power of capital, were not the only means by which this great commercial weapon was to be continually sharpened. Things were to be made cheap and still cheaper, that every rival might be undersold. But if, in order to destroy competitors, to scale tariff walls and invade foreign markets, it became necessary to reduce the wages of English artisans, this, even, though it brought misery and degradation to the great toiling masses of England, and doomed them to a condition from which they could never rise so long as the warfare lasted and so long as England should exist, was regarded as legitimate and proper means of making successful competition more certain.

The vigor with which this policy was entered upon immediately after the adoption of free trade, exposed one of the most infamous features of the creed. The warfare of competition which was waged against foreign countries, brought into requisition the element of cheapness, and the sacrifice which the working classes must make to the cause of free trade. It established a most revolting system of "white child slavery" in England. Without a particle of moral sense, without a grain of human sympathy, the advocates of free trade insisted on the right of "free contract," the right to buy labor at the lowest price, regardless of all considerations of public welfare. Under the guise of a natural inherent right as a citizen to conduct his own business in his own way, they insisted on the right to fill the factories and mines of England with starved, stunted, and squalid children from seven to ten years of age, with women subjected to the worst forms of labor. Compelled to work night and day, until physically exhausted and ruined, they were to be discarded as a broken cog of a worn-out machine, to be replaced with another piece of humanity to be utilized in producing cheap goods.

Cheap goods and cheap men.

The Anti-Corn Law League had no interest in the workingman aside from that economic interest embraced within their creed, which is the same interest they had in their calico, their machinery, their houses and lots, and their horses, *i. e.*, purely a monied interest. Beyond sufficient food and clothing to preserve health and give vigor enough to do a full day's

work, the system of free trade had no regard for the workingman's welfare. Cheap fabrics could not be produced without cheap men. The professional free trader held that men become cheap because there is a surplus, because the supply exceeds the demand, just as iron, corn and other commodities become cheap.

The true reason why men are so cheap is that the whole system of our laws and government rests upon the principle that we should have a reverent care of the material productions, and leave the men to take care of themselves. . . . It is not the dressmaker we consider, but the dress ; it is not the butcher whose well-being we care for, but the meat ; it is not the grocer whose moral and physical condition is the object, but the grocery ; it is not the baker or the bread-eater whose sole satisfaction we seek, but the bread. Nor is it even these goods for the sake of their utility to man, it is the goods as salable commodities alone. The bread may be adulterated so that it passes and gets the price of a loaf ; it is the same with the butcher's meat, it may rot ; with the gown, it may be of counterfeit stuff. But it is the *trade* in the gown, the meat, the grocery, the bread, etc., that is the object of existence ; and it is the trade to which our lawmakers look, not the tradesman, the workingman, or the consumer.—*Leader*, July 12, 1856.¹

This unrestrained individualism, this free competition, this excessive effort to make cheap goods at the sacrifice of flesh and blood and human souls, soon brought out a revolt against the fundamental basis of the whole system of free trade. Lord Ashley, one of the most humane and high-minded citizens, was aroused to indignation when he saw this feature of the policy of free trade put in practice. With the united support of the laboring masses of England, and the most enlightened and philanthropic statesmen, he led a movement for the enactment of laws for the relief of women and children employed in factories. That system of factory regulation which was placed on the statute books of Great Britain, prohibiting the employment of women and children during long hours, in unwholesome places, met the united opposition of the representatives of the Anti-Corn Law League, and especially of Richard Cobden and John Bright. Speaking of John Bright in his opposition to this class of legislation, the *Fair Trade Journal* says : "All of the immense resources of his unrivaled vocabulary were employed in the service of one of the cruelest causes that ever found defenders in the House of Commons. Facts and figures were discarded in order to prove that it was right to permit children of tender years to work for an unlimited number of hours a day, at a wage that would barely provide them with subsistence." All interference on the part of the government to restrict employers in overworking women and children was resisted by dogmatic free traders on the ground that it was an infringement upon the "Freedom of Contract," and an obstruction to those means by which the *greatest cheapness* could be secured. It was through Mr. Cobden's adherence to this principle that he waged his warfare against those labor organizations in England which were forced into

*Free trade
and industrial
slavery.*

¹ Carey's Social Science, p. 229.

The free trade movement a "middle-class agitation."

existence for the purpose of resisting that downward tendency of wages which was taking place to secure the very "cheapness" spoken of by him. How shallow and meaningless become the utterances of John Bright and Richard Cobden against human slavery in America, when we place them side by side with their attitude toward the toiling masses of their own country. It is fully understood in England that the free trade movement was started in the interest of the monied class. Mr. Cobden, speaking of his whole campaign, said: "It has eminently been a middle-class agitation." The *Fair Trade Journal*, speaking upon this point said: "His whole endeavor was to make that class the ruling class, and he was not wistful to idly extend its favor to others; we have him saying, when the power of his own special class had been assured: 'I am less sanguine than I used to be about the effects of a wide extension of the franchise.'"¹

John Morley in his life of Richard Cobden, says, in speaking of Mr. Cobden's attitude upon the question of reducing the working hours in factories from twelve to ten hours, that Mr. Cobden said, "I shall certainly vote and speak against the factory bill."² When this act became a law, Mr. Morley says that, "If the factory law was in one sense a weapon with which the country party harassed the manufacturers, it was not long before Cobden hit upon a plan for retaliating."³

The efforts which have been made by the advocates of free trade to convey the impression that Mr. Cobden and his associates were friends of the laboring classes, and introduced a policy for their elevation and improvement, have given to the free trade cause, in certain quarters, a character to which it is not entitled. As Mr. Cobden said, the whole movement was conducted in the interest of the middle classes. Comprehending the real purpose of the movement, we are able more fully to understand why the tenant farmers and agricultural laborers were marked for destruction. If Cobden and his associates had been real reformers, entertaining a desire to improve the condition of the English people, especially the agriculturists, the opportunity was present and urgent. Land tenures by which the soil of the realm was held by a few individuals,—tied up and transmitted from one generation to another, to the exclusion of the masses from ownership, could have been abolished. This would have worked a genuine reform. Every farmer could have become the owner of a small piece of land, and the rural population would have become independent, prosperous and contented. A change of this character, however, was not conceived by the free trade reformers to be for the benefit of the manufacturers. They were not seeking to bring about conditions which would make the masses more independent and self-reliant. They were not seeking to open new fields of employment, by which the laboring classes would become less dependent on the cotton barons of Manchester. Subservient, dependent, low-priced labor, was the corner-stone upon which the

¹ Vol. III, p. 777. ² P. 56. ³ P. 44, also *Fair Trade Journal*, Vol. III., p. 778.

whole fabric of free trade rested. This could not be secured, and the workingmen of England could not be reduced to that economic condition by which they would become the most useful tools for the English manufacturers, so long as it was possible for them to live upon the land. By flooding England with the agricultural produce of foreign countries, by making the cultivation of the soil unprofitable, the free trade plan could more easily be accomplished. By driving them into the cities, over-crowding industrial centres, and making labor abundant, the whole industrial population would be plunged into such a fight for places, such a shuffle and struggle for existence, that wages would be reduced to that "natural level" so much talked about by free trade economists, and so necessary to secure that "cheapness" spoken of by Mr. Cobden. Before pointing out the disastrous results which have followed the adoption of the policy of free trade, it will be well to mention some of the practical business propositions which formed the basis of the new theory. The English people relied upon the prophecies which Mr. Cobden and his associates put forth when they urged parliament to abandon that system under which the greatness of the country had been secured. To buy where one can buy the cheapest, and to sell where he can get the biggest price, was asserted not only as a natural individual political right, but as a sound principle of industrial development, to be practiced by all nations. It is through this proposition that the most specious plea has been made to the consumers and producers of the world. It should, however, be interpreted in the light of its application to the conditions existing in England at the time it was enunciated. Like other propositions emanating from this source, it fits in and forms a part of that commercial policy of Mr. Cobden and his associates of securing the absolute supremacy of English manufacturers. In the first place, what did they propose to buy cheap? Not manufactured goods. They were to be produced in England, and sold to the rest of the world. It was to buy cheap what they were compelled to purchase of other countries, and to sell at a high price everything produced in English factories; to buy American cotton at the lowest possible figure, convert it into fabrics, and sell it again to the American people, with the profits, labor and freight charges of Englishmen added. The wool of Australia was to be treated in the same way. The raw materials of all countries were to be made profitable to English manufacturers, by buying them cheap and selling them dear. Whatever England had to buy was to be bought cheap. Whatever she had to sell was to be sold dear. The United States was to be converted into an agricultural country. The produce of its farms was to be sold in England cheap, but English manufactures were to be purchased by the American people at high prices. The surplus farm products of all countries were to be brought into competition in England, thrown upon a glutted market, and sold at prices to be fixed in England. The

*"Buy cheap
and sell
dear."*

more extensive agriculture became in foreign countries, the greater the surplus would be each year to depress prices. This condition, favorable to Englishmen, would also be increased by restricting the home markets for farm produce.

A magnificent scheme, indeed, for England! To this system of plunder has been given the name of "Freedom of Contract." The conditions under which the people of other countries were asked to accept this system gave to England such an advantage in imposing terms, fixing prices both ways, that there could be no "freedom" about it on the part of the people with whom the English manufacturers proposed to deal.

*England's
ability to
destroy
rivals
under free
trade.*

At the time England urged all nations to remove their protective tariffs and join with her in a policy of free trade, the English manufacturers were able by force of competition to destroy the industries of every country in the world. Competition based on fair wages and profits, carried on under the "live and let live" spirit is one thing, but a competition waged for the specific and definite purpose of driving competitors out of the business, closing rival factories, and completely supplanting the industries of a country for the purpose of gaining a monopoly of the market, is a species of warfare as destructive to the prosperity of a country as an invading army, and more lasting in its disastrous consequences. It was this species of warfare or competition which the English manufacturers intended to carry on. The sole purpose of bringing about the removal of protective tariffs in the United States and other countries, was that England might, by flooding markets with her wares, close all their factories, and then by a system of underselling prevent rival factories from ever rising on the ruins of the old, thus making the monopoly of England absolute and perpetual. As soon as the rivals were destroyed prices could be advanced and large profits secured. Yes, says the theoretical free trader, but as soon as prices are raised sufficiently to secure large profits, capital will flow in and competing industries will be erected. Experience has proven that this will not occur where they would be driven out and ruined by the warfare which would immediately set in. It has only been through the shield of protective tariffs against such destroying causes, that home industries have been erected and carried on. This was well known to the English manufacturers, and furnished the reason why they desired the removal of such protective barriers.

This fact is confirmed by the experience of the English manufacturers. The whole question of the manner in which such destructive competition was carried on, was set forth in a report of a commission to parliament, in 1854, as follows:

The laboring classes generally, in the manufacturing districts of this country, and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all to the immense losses which

their employers voluntarily incur in bad times in order to destroy foreign competition, and to gain and keep possession of foreign markets. Authentic instances are well known of employers having, in such times, carried on their works at a loss amounting in the aggregate to three or four hundred thousand pounds sterling in the course of three or four years. If the efforts of those who encourage the combinations to restrict the amount of labor and to produce strikes were to be successful for any length of time, the great accumulations of capital could no longer be made which enable a few of the most wealthy capitalists to overwhelm all foreign competition in times of great depression, and thus clear the way for the whole trade to step in when prices revive, and to carry on a general business before foreign capital can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success. The large capitalists of this country are the great instruments of warfare against the competing capital of foreign countries, and are the most essential instruments now remaining by which our manufacturing supremacy can be maintained; the other elements—cheap labor, abundance of raw materials, means of communication, and skilled labor,—being rapidly in process of being equalized.¹

The official character of this report gives it more weight than the statements of mere theoretical writers. It is not fair or equal competition, but a system of commercial warfare to which every nation must subject its industries under free trade. A nation whose manufacturers are possessed of such vast accumulations of capital that they are able to wage an aggressive warfare for a long period of time, during which profits are surrendered and losses sustained, in order to break down the industries of a foreign country, may be ready for free trade, but that nation whose business men and manufacturers are not provided with such weapons, must protect its industries from the inevitable and absolutely certain result of a contest, carried on under such conditions. The "survival" in such a conflict of the "fittest," simply means that the party having the largest amount of capital is the strongest, and will win. Although the important part which capital plays in the battle of fabrics is fully recognized and understood, the theoretical free trade writer attempts to make it appear that industries which are unable to survive such a conflict, are weak and ought to perish. The part which the vast accumulations of capital held by the English people would play in conquering the world was fully measured and taken into account, when their fiscal policy was reversed.

Mr. Gladstone, in completing the work begun by Sir Robert Peel, regarded the vast wealth of the English people as one of the most powerful weapons to be used against the competing capital of foreign countries. He said: "The power of capital, skill, industry, long-established character and connections, sustaining English commerce, bears up against all that has been done."² This was one element of strength upon which Sir Robert Peel relied, in advocating the repeal of the Corn Laws. He said: "That we may retain our manufacturing pre-eminence, we must neglect no opportunity of securing ourselves those advantages by which that pre-eminence can alone be secured. . . . The accumulation of

The "survival of the fittest."

¹ Bigelow's *Tariff Question*, p. 41.

² *Remarks on Recent Commercial Legislation*, p. 61.

wealth (that is, the increase of capital), is one of the chief means by which we can retain the eminence we have so long enjoyed."¹ For more than a century the English people had fully understood the importance of capital as a factor in establishing and maintaining the commercial supremacy of the nation. As early as the latter part of the eighteenth century, Edmund Burke, in a debate on the proposed Commercial Treaty with France, said: "Our capital gives us a superiority which enables us to set all the efforts of France to rival our manufactures at defiance. The powers of capital were irresistible in trade; it domineered, it ruled, it even tyrannized, in the market; it enticed the strong, and controlled the weak."²

"The
wholesome
breezes of
competi-
tion."

One of the gravest errors committed by dogmatic free traders was the assumption that "the fear of want is the mainspring of exertion." It was asserted that sharp competition would act as a stimulus to the exercise of a higher degree of skill, greater exertion and more economic methods, and to develop to the highest point the inventive genius and intellectual forces of man. Blinded by their own conceit, they believed Englishmen possessed superior power for industrial warfare, and hence were capable, when put to the test, of outstripping all rivals. This most flattering argument tickled the ears of the artisans and manufacturers alike, and played no little part in winning them over to the doctrines of free trade. This was one of the principles upon which they relied in entering the warfare of fabrics under the new fiscal policy. They felt strong enough to throw away their shields and fight the battle without them. Now, if this were true of Englishmen, while it might furnish a reason why they should be willing to abandon protection, something which they believed they did not need, it would certainly furnish no reason why the Americans, Frenchmen, Germans, and others who were not so efficient as the Englishmen, and who were not capable of being so highly developed, should throw away their shields also and calmly submit to destruction. If the principle suggested should be accepted and all the potency claimed for it conceded, assuming that all are capable under the same stimulus of being developed to the same degree of perfection, there is still an element which must be considered; that after all, as stated by Mr. Cobden, cheapness was the weapon which must be relied upon to conquer and hold markets. While efficiency, skill, capital and machinery were within the reach of all civilized people, everything else being equal, the question of wage rate must still control in the battle. It has been demonstrated that one nation cannot pay 40 per cent higher wages than another nation and win and hold markets. As early as 1824, Mr. Huskisson, in advising the removal of duties on silk goods, said: "*Unbind the shackles in which your unwise tenderness has confined it; permit it to take unrestrained its own course; expose it to the wholesome breezes of competition, you give it new life; remove your oppressive protection, the talent, the*

¹ Hansard, Third Series, Vol. 83, p. 280.

² Parliamentary History, Vol. 26, p. 487.

genius, the enterprise, the capital, the industry of this great people will do the rest." It was confidently expected that under the stimulating "breezes of free competition" the industries of Great Britain would be aroused to newer energies, and grow stronger and more independent. It will be interesting when we come to view this proposition in the light of the evidence given before the Royal Commission on Depression of Trade, showing how it worked when applied to actual practice, especially in its relation to the silk industries of the country.

The foregoing expression has fallen from the lips of advocates of free trade in the Congress of the United States, as though it was a spontaneous outburst of eloquence from a recent convert to the cause. It has been heralded throughout the world, and stands as one of the cardinal maxims of the Manchester School. Before the people of the United States expose their industries to the stimulating "breezes of competition," it will be well to ascertain how it has worked on those English industries which have been trying it for the last thirty years. Running through the evidence of the commission referred to, we shall find conclusive proofs that free competition, instead of having the effect claimed in free trade prophecies, has proven a hindrance to exertion, enterprise and progress.

The following is another proposition which was put out by the advocates of free trade. It was asserted that—

"If any industry of a country becomes in whole or in part supplanted by competition, the capital and labor which it had engaged would be let loose to find more profitable employment and investment in some other home industry."

*A free
trade
fallacy.*

This proposition is of vital importance. If it is sound a nation would in part be compensated for the loss of an industry through competition. This assertion involves one of the most extravagant assumptions to be found in the whole theory of free trade. It assumes that the foreign markets for domestic products will always be equal to the productive capacity of the country. For instance, if 200,000 artisans employed in the silk industry were unable to make silk goods as cheaply as they could be made in France, then it would be more profitable for the English people to buy those goods in France at a lower price, and instead of the 200,000 artisans in the silk factories working for eight or ten shillings a week in order to hold the home market, they could readily abandon silk-weaving and at once find employment in the cotton factories, or some other industry in England, which would be capable of resisting foreign aggression. This proposition involved the idea that as one or more industries were entirely destroyed by competition, the other industries would necessarily be increased by the capital and labor which had left the less profitable employment rushing into those which remained, always assuming that England would still hold supremacy in a sufficient number of industries to give employment to all her artisans. It never occurred to Mr. Cobden and

his associates that there was any danger of a failure of this principle. It was assumed that the people of England still and at all times would be enough cleverer than the people of other countries to prosper just as they had before. It never dawned upon them that the time might arrive when the cotton industry, the woolen industry, the iron and steel industry, the linen industry, and, in fact, every other industry, would at the same time all be subjected to the same vital competition; be driven out of neutral markets, undermined, crippled, and their progress arrested by the sale of competing goods at home. Yet this is precisely what has occurred and what is now occurring in England. The great problem which the English people are now compelled to face is not the fact that they can buy bread-stuffs, silks and a few manufactured articles cheaper in other countries than they can be produced in England, but that everything that is made by the hand of man can be produced so cheaply on the Continent of Europe that the only way English factories can be kept running, is by reducing profits to a minimum and wages to a starvation point. The exercise of great economy in production has become a necessity as a matter of defence at home.

*The "goods
for goods
theory."*

Another proposition urged by free traders was, that "no harm comes to a nation if the goods are bought abroad; it must sell as much as it buys, for goods are bought, not really with the intermediate instrument money, but with goods given in exchange and sent abroad."¹ It was known as the "goods for goods theory." If this were true a country would sell no more than it buys, consequently as its purchases increased or declined, its sales would increase or diminish in like proportion. For every thousand dollars' worth of goods imported into England it was claimed that another thousand dollars' worth of some other kind of goods must be made in England to give in exchange for the import. Hence, such imports create a demand for goods to be made in English factories. When this proposition was announced the English people were believed to be capable of fully supplying the home demand from their own factories. It was not contemplated that competing imports would, to any extent, ever displace domestic production. Hence, the proposition in its application to the conditions existing in England at the time the policy of free trade was adopted, involved simply the exchange of manufactured goods for raw materials and those farm products, the like of which could not be produced in England (the advocates of free trade placing agricultural products in the same category as raw materials). The exchange of manufactured goods for manufactured goods was not involved in this proposition, because it was not contemplated that the English people would be compelled to abandon any domestic manufacturing under the operation of free trade.

*Fallacy of
the "goods
for goods
theory."*

The experience of England for two centuries had disproved the proposition last stated. The balance of trade had been in her favor since

¹ Letter of Bonamy Price to Fair Trade Banquet May 16, 1887.

the early part of the eighteenth century, and it is difficult to comprehend how, in the face of the experience of nations, free trade economists could have announced a proposition so absolutely fallacious and contrary to the experience of mankind. It, however, was advanced to allay the fears of those people of other countries to whom the English manufacturers addressed their free trade literature. It has been persistently urged that if the United States would abandon her protective tariffs, she would not suffer from large purchases of manufactured goods from England, because the English people would take in payment therefor, agricultural products, and hence the same capital and labor which would have been employed in the production of the manufactured articles, had they been made in the United States, would be engaged in producing the farm products exchanged. The inducement involved in this proposition has not only been held out to the people of the United States, but to every agricultural region on the face of the globe. The advantage which England would hold under the operation of free trade was well known. Her productive capacity had become so great that, with the use of machinery, the labor of one man in England, in converting raw materials into finished products, was equivalent to the labor of a great many men in growing farm produce in the United States; consequently, while England could supply several countries with manufactured articles, her small population could consume only a small part of the surplus farm produce and raw materials of the United States. This inequality in the productive capacity of a manufacturing population, compared with agriculturists, made it absolutely certain that England could inundate the United States with her wares, while she would purchase only a small part of the farm products which the people of the United States would have to sell.

The advantages which are secured to a nation which converts raw materials into finished products, over a nation which confines itself to the production of raw materials, is very clearly brought out by Mr. Henry Cary Baird, in the following: "Straws manufactured in and now received from Switzerland, Germany, France and Italy, are sold in this country at as high a rate as \$10,000 per ton." Flax is manufactured into cambrics, laces and embroideries, and sold, on an average, for more than \$10,000 per ton. When this increase in value is fully considered, and it is borne in mind that raw materials, including agricultural produce, are almost exclusively the result of human labor; that manufactured products are, to an equal extent, the result of steam and machine power; that about six thousand times as much human labor is necessary to produce the same result, when it can be reached at all, without the aid of steam as with it; the superior productive power of a manufacturing nation as compared with that of a nation which confines itself to agriculture becomes apparent. It is evident that free trade was intended to secure and hold a monopoly of steam power and machinery, with all the

Advantages possessed by a manufacturing nation.

immense profits and advantages which they would confer upon one country over the rest of the world.

Assuming that the advocates of free trade knew that they were in error upon this proposition, they were so situated that their imports could exceed their exports by a large sum each year, without its becoming necessary to send abroad their precious metals to settle an adverse balance of trade. The interest account upon their foreign investments would each year be settled for in goods instead of money. So long then as the balance against them did not exceed freight charges, insurance, profits of importers, and the interest account upon their foreign investments, they would not be called upon to export money in payment of an adverse balance of trade. Being a creditor country, England entered upon the policy of free trade, believing, under the circumstances, that she was in no danger of having her treasury exhausted by a failure of the "goods for goods" theory. The recent experience of the English people absolutely demonstrates the unsoundness of the contention that import goods are always paid for with export goods.

*Effect of
free trade
on wages
and direc-
tion of em-
ployment.*

As the struggle for industrial supremacy became more intense the agricultural districts were abandoned and the cities and towns at once became overcrowded with laborers seeking employment. The raid which was made on the industries of other countries in scaling tariff barriers, to find markets for English goods, and later the increasing competition from the Continent demonstrated that the wage rate of English artisans could not be maintained; that, as Mr. Cobden asserted, markets must be won and held with cheap goods. Cheap goods could not be made with high priced labor. In order to meet competition the price of goods must be reduced to the lowest possible point. This involved small profits and low wages, or goods could not be sold. The inventive genius of the advocates of free trade met the situation with the proposition that "full employment and low wages were better than partial employment and high wages." This expression has found a place in free trade literature, implying that low wages necessarily bring "full employment;" but we shall see later that the operation of free trade has not only doomed English artisans to low wages but also to "partial employment." When free trade was first announced, it was claimed that two jobs would seek after one man; the result has been that two men are seeking after the same job. The laboring masses of England have been driven to a point where "partial employment" and low wages are the normal condition of the organized skilled labor, while there exist millions of unemployed, a vast "residuum," as it is called, living in a most wretched and most hopeless condition.

*Do high
wages
bring cheap
produc-
tion?*

As early as 1826 Mr. Huskisson said that, "To enable capital to obtain a fair remuneration, wages must be kept down." An effort has been made to mislead the laboring masses, by the assertion that the

nation which pays to its artisans the highest wages, will for that reason make the cheapest goods and undersell those rivals who pay lower wages. The industrial supremacy through the application of machinery, the accumulation of capital, and the monopoly of foreign markets acquired by the English people under the system of protection brought about an increase in the wages of English artisans. The question whether such wage rate could be maintained and still further extended was one of the problems involved in the adoption of free trade. It was well understood by the English manufacturers that the cost of production depends so largely upon the wage rate that high wages could be maintained only in those industries in which their artisans were possessed of a higher degree of skill and efficiency than the artisans of rival industries. It was never contended for a moment by English manufacturers that high wages alone bring such superior efficiency. It is true that handworkmen paid low wages cannot compete with those using machinery, although paid double the wage rate. It was not high wages that were to bring cheap production, but it was superior skill and efficiency and low wages. When the artisans of the Continent were provided with the same machinery, subjected to the same training and direction in its use, and manufacturing came to be carried on with the same advantages of accumulated capital that superiority which the English artisans possessed in certain lines began to disappear. It was found that the English manufacturers could not pay higher wages than were paid on the Continent and successfully compete in neutral markets. This condition forced the employers, as a matter of self-defence, to reduce wages in England toward the level on the Continent. The experience of the last twenty-five years in England has demonstrated that, other things being equal, low wages bring cheap production. The evidence before the Royal Commission on the Depression of Trade, quoted later, will be found most conclusive on this point.

The experience of the English people since 1874 has tested the unsoundness of all the free trade propositions stated above. It has demonstrated the truth of the position maintained by protectionists, that the whole system of free trade rested upon theories which were fallacious and would not stand the test of actual experience.

The adoption of the policy of free trade by the United Kingdom in 1846 was in many respects the most important event in the commercial history of the world. That the leading commercial nation should utterly repudiate the system of protection, and expose its own artisans and producers to the unrestricted competition of all countries, was an evidence of confidence in its ability to succeed under the new policy. This one fact standing out before the world, confirmed by the conceded ability, sagacity and intelligence of this the most advanced nation in commercial affairs, conferred upon the new creed a character which commanded the attention and careful consideration of the wisest statesmen and ablest business men

*Aggressive
character
of the free
trade move-
ment.*

of the entire world. When the doctrines of free trade were proclaimed, the foundation of all prior economic ideas was for a time shaken. The sound and beneficent principles of protection were at once obscured by the criticisms and attacks leveled against the objectionable features of the mercantile system, especially those which had ceased to be necessary to the maintenance of the industries of modern countries. At the time that the doctrine of free trade was promulgated, its advocates possessed one advantage over their adversaries. Free trade was a new and untried policy. No leading commercial nation had tested the soundness of its principles or subjected her industries to its influences. The effect of an application of its principles and dogmas upon the industries of a country was purely a matter of speculation and conjecture. When the doctrine of free trade was proclaimed, it was asserted with such a degree of confidence that the economic world was almost taken by storm. The English press, professors, manufacturers and statesmen were busy flooding the world with literature favoring the new policy. From this time all manner of tricks were played with statistics, the facts of history were constantly suppressed, and a gigantic scheme of misrepresentation was practiced. Every person who failed to endorse this policy was treated with contempt, ridiculed, and denounced as being either ignorant or controlled by selfishness. Those who have attempted to establish industries in other countries, under protection, have always been assailed as monopolists and enemies of the people. Those who, by protection, were stimulating, fostering and building up industries were accused of placing obstructions, hindrances and barriers in the way of trade and commerce, when in fact they were only raising barriers to prevent English manufacturers from acquiring an absolute monopoly of the markets of the entire world, and to prevent their own industries from being slaughtered. It should be borne in mind that, during the past twenty years, nearly all the books which have been circulated throughout the United States and other countries, favoring the policy of free trade, were written between 1846 and 1870, and before a fair test was made of the system favored.

*Conditions
favorable
to free
trade in
Great
Britain
between
1846 and
1874.*

The period under consideration divides itself naturally into two parts. First, from 1846 to about 1874, during which time England held such absolute supremacy in manufacturing, that she was virtually without competitors in neutral markets, and at the same time able, in nearly every department, to defy rivals at home. It will be shown in later chapters that Germany, France and other Continental countries, as they gradually recovered from the impoverished condition in which they were left at the close of the Napoleonic wars, began to work out the policy of building up their home industries, under the system of protection. The substitution of machinery for hand workmanship was necessary, in order to bring them within the advantages arising from those new inventions and appliances which were in use in Great Britain. The factory system,

or the carrying on of the various lines of manufacturing, especially iron and steel, and textile industries, by the concentration of a vast amount of capital, made the building of large plants and a gigantic industrial system necessary. By 1870, the people of the Continent had advanced so far in the development of their industries, under the new conditions, that they were becoming competitors of Great Britain. Again, the English manufacturers derived great advantage by the reduction of duties on imports into other countries, which for a time, enabled them more easily to enter foreign markets. Under the Reciprocity Treaty of 1860, France continued to admit the products of English factories under lower duties, until 1882, when the French Government refused to renew the treaty and returned to a high protective tariff. From 1865 to 1879, Germany and Prussia practiced free trade. Spain, Portugal, Austria and Russia were at this time pursuing a policy more favorable to the admission of English goods.

During this period English manufacturers had fewer barriers to overcome, and consequently were able, by means of competition, to prevent a more rapid growth of rival industries on the Continent, in spite of the universal business activity, arising from causes which were beginning to operate at the time free trade was adopted in Great Britain. The discoveries of gold, the building of railroads, the substitution of steam for sailing vessels, all greatly stimulated business enterprises. The conditions which prevailed between 1850 and 1870, were such that a fair trial of the principles of free trade could not be made. The real test of the benefits or disadvantages of the policy of free trade, must be found under sharp free competition. No injuries can come to the industries of a country, so long as they hold such an advantage over would-be rivals, as enable them to undersell and control their markets. So long as the English manufacturers could hold their own markets against all rivals, drive all competitors out of neutral markets, and scale the tariff barriers of other countries with their surplus produce, and sell them so cheaply that the industrial progress of those countries so invaded was held in check, it cannot be said that, so far as Great Britain herself was concerned, she was making any test of the principles of free trade. It should also be remembered that, at the time this policy was entered upon, the English people held a monopoly of the manufacturing and carrying trade of the entire world. With the vast sums invested in enterprises and loans in foreign countries, the large interest account which each year came to England was sufficient to settle a large adverse balance of trade, without draining the precious metals from the country. A creditor nation is in less danger of having its gold withdrawn by an adverse balance of trade, than a debtor country. During the period in question, English commerce enjoyed the same steady expansion which had been going on for a whole century, and was subjected to few influences which retarded or interfered with it. In any event the causes which contributed to the expansion of

Advantages enjoyed by the British producer.

trade so overbalanced the injuries to its agricultural and other industries, that as a whole, the nation continued to be prosperous.

The pre-eminence of Great Britain in 1850, when she entered upon her free trade policy, as a manufacturing nation, when compared with any country or any period in the history of the world, is one of the marvels of the age. With accumulated capital more vast at that time than any nation in Christendom; with a most energetic, venturesome and determined body of business men, ready to hazard anything and stop at nothing in their race for wealth, equipped as they were, nothing but the most unforeseen calamities could prevent unexampled increase in wealth and business enterprises. Holding a monopoly of the carrying trade of the world; without a rival or successful competitor in the production of cottons, woollens, linens, iron and steel, Great Britain had reason to believe that nothing but an absolute closing of foreign markets to her trade could stop its unlimited expansion and growth.

Facts illustrative of the magnitude of British industries.

As early as 1828 the steam-power alone of the country was estimated to be equivalent to 1,800,000 laborers. By 1850 they possessed 1,290,000 of steam-power, while all Europe possessed 2,240,000. By 1854 it was estimated by the Anti-Corn Law League,¹ that the 28,000,000 of people in the United Kingdom had the productive capacity of 600,000,000 of people practicing the methods in use before the invention in machinery. These 28,000,000 of people, being a little over two per cent of the entire population of the globe, consumed one-half of the raw cotton grown in the world and converted it into fabrics in their factories.² In 1840, out of 30,000,000 tons of coal raised from their mines, 29,000,000 tons were consumed at home. In 1850, out of 81,000,000 tons of coal mined in the entire world, 49,000,000 tons were produced in England, 46,000,000 tons of which were consumed at home. As early as 1840 21 per cent, nearly one-fourth of the external trade of the entire world, was carried on through English ports. This was the condition in which England found herself when she entered upon the policy of free trade after three hundred years of the most vigorous system of protection that was ever pursued by any nation.

Increased supply of the precious metals.

At this time an unforeseen event occurred which gave to the business of the world an impetus of the greatest magnitude. The discovery of gold in California in 1849, and in Australia in 1851, increased the quantity of primary money of the world, and furnished a basis for the vast undertakings upon which all nations were then entering. The extensive business relations of Great Britain enabled her manufacturers and shippers to secure the largest share of this treasure, and especially that portion mined in Australia. Mr. Yeats, in speaking of the treasure found in Australia, says :

Within ten years gold was sent to England to the amount of £100,000,000. During two or three years of this period an annual average exceeding £12,000,000

¹ Charter of the Nations, p. 199. ² Yeats' Recent and Existing Commerce, p. 92.

arrive in England, and the quantity found within more recent years still amounts to from £7,000,000 to £8,000,000 annually. The total exports of gold between 1851 and 1868 amounted to more than £31,000,000 from New South Wales, and above £138,000,000 from Victoria—an aggregate of more than £169,000,000. These well nigh incredible sums are amounts entered on ships manifest, and are irrespective of the gold retained in the colony and the large sums brought under private charge.¹

The advantages which the business world derived from the increased supply of the precious metals may be gathered somewhat from the extent of its production. Between 1850 and 1870 at least \$2,500,000,000 was added to the circulating medium of the world. England received a large share. The value of the gold coined at the British mint during the fifteen years ending with 1854 was \$327,500,000, and during the fifteen years ending in 1869 it was \$382,500,000. Thus an average of \$22,500,000 was put in circulation each year, in addition to what was consumed in the arts and manufactures. It should be noted that during this period also the increase in the metals gave to the manufacture of jewelry, watches and plated ware, a great impetus. The value of gold remaining in England in 1870 was \$590,000,000.²

England was already the richest country on the globe, with a large class of people who for years had been investing their incomes in foreign securities, and supplying capital for the vast undertakings of other countries. With the treasures from the mines of Australia flowing into the pockets of English capitalists, they were much stronger than ever before for commercial conquests. Apart from the vast incomes of the manufacturers, the resources of the English nobility and landed gentry were of the greatest magnitude. Mr. Colton (1848) gives some interesting figures on this point :

*Amount
of British
capital.*

The annual income of the Duke of Sutherland is \$1,742,240; that of the Duke of Northumberland is \$1,452,000; that of the Marquis of Westminster is \$1,355,000; that of the Duke of Buccleugh is \$1,210,000. The English nobility alone, numbering about four hundred peers, not including Irish and Scotch, receive an annual income of \$26,026,000. The annual income of the English gentry, not reckoning Irish and Scotch, including baronets, knights, country and other gentlemen, is \$256,250,000, or more than one-sixth of the aggregate income of all classes of the British empire, England, Ireland and Scotland, which is about \$14,520,000,000. The civil list or annual appropriations for the royal household, fixed on William IV., was \$2,468,400. This grant to William IV. was a reform; as it appears that the annual average of the civil list from 1760, the accession of George III. to the demise of George IV. was \$6,364,600. The annual incomes of persons employed under the British Government is \$34,673,200.³

With more capital at their command than any other nation, they were capable of taking advantage of business opportunities as they arose, and turning them to their own profit. By 1850 conditions had arisen which added immeasurably to the profits which might be derived from their

¹Recent and Existing Commerce, p. 92. ²Simmond's Science and Commerce, p. 8. ³Public Economy, p. 162.

The iron
industry.

iron industries. The period of railroad and steamship building, which began about 1840, by 1850 had so attracted the attention of capitalists that it was considered a great field for future speculations and the investment of capital, by those possessed of vast wealth. The building of locomotives, tenders, the making of iron and steel rails, and other materials to be used in the construction, required extensive plants and the investment of large capital. England with her iron ore adjacent to her coal fields; with her iron furnaces, experienced artisans, engineers and manufacturers, was better equipped for entering upon this new industry, than any other country. America, the British colonies, all new countries and even the Continent of Europe looked to English capitalists to furnish money, and to English manufacturers for a large portion of the materials.

The magnitude of the English iron industry from 1854 to 1857 is shown in a paper published in the Mining Record, under the direction of Mr. R. Hunt, in connection with the Museum of Practical Geology of London.

TOTAL PRODUCE OF PIG-IRON IN GREAT BRITAIN.

ENGLAND.	Tons.
Northumberland, ...	63,250
Durham, ...	284,500
Yorkshire, ...	296,838
Lancashire, ...	1,233
Cumberland, ...	30,515
Derbyshire, ...	112,160
Shropshire, ...	117,141
North Staffordshire, ...	134,057
South Staffordshire and Worcestershire, ...	657,295
Northamptonshire, ...	11,500
Gloucestershire, ...	23,882
Somersetshire, ...	300
Wales, North, ...	37,049
Wales, South, anthracite districts, ...	63,440
Wales, South, bituminous districts, ...	907,287
Scotland, ...	918,000
Ireland, ...	1,000

Total produce in Great Britain and Ireland, ... 3,659,447

The quantity of iron ore raised in all parts of the United Kingdom in 1857, and used in the production of pig-iron, was found, from the same returns, to be 9,573,-281 tons.

For smelting which, there were in active operation in

England, ...	333	blast-furnaces
Wales, ...	170	" "
Scotland, ...	124	" "
Ireland, ...	1	" "
Total, ...	628	

The mean average price of the pig-iron, "mixed numbers," deducted from all the sales of the year, was £3 10s. 2d.; which gives the market value of the pig-iron made as £12,838,560 per annum. If we assume that the make of the iron has increased in the same rate since 1857, it must now amount to 4,250,000 tons.

In connection with the above, we insert the following table from Mr. Kenyon Blackwell's paper on the "Iron Industry of Great Britain," read before the Society of Arts. It gives the estimated production of crude iron in the various countries:

	Tons.		Tons.
Great Britain, ...	3,000,000	Belgium, ...	200,000
France, ...	750,000	Russia, ...	200,000
United States, ...	750,000	Sweden, ...	150,000
Prussia, ...	300,000	Various German States, . . .	100,000
Austria, ...	250,000	Other countries, ...	300,000
		Total, ...	6,000,000

The following table gives the annual production of steel in various countries:

	Tons.		Tons.
England—Cast steel, ...	23,000	France, ...	15,000
Bar steel, ...	7,000	Prussia, ...	5,453
Spring steel, ...	10,000	Austria, ...	13,037
		United States, ...	10,000
Total, ...	40,000		

In referring to the above, it will be seen that Great Britain produces as much crude iron as all other countries put together; and a great portion of that iron, being converted into bars and plates, indicates a large and important article of production—an article of immense value to the country, of great demand at home and abroad, and justly entitled not only to improvements and economy in its manufacture, but to the generous support of a liberal and enlightened government.¹

In considering the causes which contributed to the growth of English industry, and the expansion of their trade between 1850 and 1870, the railroad building which took place not only in England but throughout the world, must not be lost sight of. In 1850 there were 6600 miles of railroad in the United Kingdom, representing an invested capital of \$440,000,000, with annual receipts of \$66,250,000; while by 1870, the number of miles had reached 15,000, with an invested capital of \$2,650,000,000, with receipts of \$200,000,000 per annum. It was during this period that Mr. Thomas Brassey, perhaps the most famous and largest railroad contractor that ever lived, was building railroads in England and on the Continent. At one time the concerns with which he was associated had in their employ in all of their departments 80,000 laborers, in the production of material and the construction of railroads in many countries. In 1865 there were built in England eighty locomotives for the East India railroad. At this time the English manufacturer could make locomotives,

Railroads.

¹The Tariff Question, by Bigelow, Appendix No. 1.

rails and appliances more cheaply than they could be supplied from the Continent. The magnitude of the iron industry in England, during this time, and the enormous profits which must have arisen from it in its relation to railroads alone, may be estimated from the number of miles constructed during this period throughout the world.

The following summary of the railroads in existence in 1866 shows the large amount of business that must have fallen to the English manufacturers, during the twenty years preceding that date, the period within which they were constructed:

MILES OF RAILROADS IN OPERATION IN 1866.

North American, ...	39,414.1
West Indies, ...	410.3
South American, ...	1,041.9
Total American, ...	40,866.3
Europe, ...	50,117.5
Asia, ...	3,660.5
Africa, ...	375.4
Australia, ...	607.7
Total of the world, ...	95,627.

*Textile
industries.*

The magnitude of the textile industries in 1856 is shown by the following extract from a paper on the "Progress of Textile Manufactures in Great Britain," read March 6, 1861, before the Society of Arts, London, by Alexander Redgrave, one of her Majesty's inspectors of factories:

There are four classes of raw products convertible into textile fabrics; these are cotton, wool and worsted; flax, hemp and its tribe, and silk. Wool and worsted, although the same material, are of a different nature, and require to be manufactured in a different manner. They are, therefore, treated of separately. It is usual to divide the textile fabrics into five classes. The cotton trade represents more than one-half of the whole of the textile fabrics. The woolen manufacture, once the chief textile industry of the country, ranks second in importance. Worsted, which is obtained by separating the long fibre of the wool from the shorter staple, ranks as the third. Flax is fourth, and silk is the fifth and last. There are various methods of exhibiting the extent of these manufactures, in some of which, perhaps, the order in which I have enumerated them might be varied; but taking the general importance and probable value of the several branches of manufacture, the order in which they have been named will be found the most correct.

*British
factories.*

Statistics have been procured at intervals by the inspectors of factories with reference to the establishments under their supervision, viz., those in which either of the raw materials enumerated are spun or manufactured. No account has ever been taken of the print-works, bleaching and dyeing works, lace factories, etc., which are excluded from the operation of the Factory Acts; and the following figures refer, therefore, to those establishments only in which the first process of manufacture up to and including the weaving are carried on by aid of water or steam-power:

Textile Industry.	Number of Factories.	Horse-Power.	Number of Spindles.	Number of Power Looms.	Number of Persons Employed.
Cotton, ...	2,210	97,132	28,010,217	298,847	379,213
Wool, ...	1,505	25,901	1,786,972	14,453	79,091
Worsted, ...	525	14,904	1,324,549	36,956	87,794
Flax, ...	417	18,322	1,288,043	7,689	80,262
Silk, ...	460	5,176	1,093,799	9,260	56,137
Total, ...	5,117	161,435	33,503,580	367,205	682,497

As I have before stated, the above figures refer only to persons employed in establishments subject to the provisions of the Factory Acts, amounting to 682,497; and I have estimated, after making various calculations and consulting the best authorities, that there are 887,369 persons employed upon textile fabrics in establishments not under the provisions of the Factory Acts; which two classes of persons have dependent upon them at least 3,000,000 of unemployed persons; representing a total of 4,568,082 persons dependent upon the textile fabrics for their maintenance—being in the proportion of 16 per cent, or one-sixth of the population. But there are others, though not directly employed upon the fabrics themselves, equally dependent upon the prosperity of textile manufactures for their subsistence. For instance: Those engaged in the procuring of coal (at least 3,000,000 tons are consumed per annum in factories, print-works, etc.); those engaged in the procuring of iron, engine and machine makers; those engaged in the leather trade, in the manufacture of grease, in the procuring of oil, dry wares, paper, skips or baskets, and of various minor articles used in the manufacturing establishments; those employed in warehouses, etc., etc. At a moderate computation, I reckon that the above persons and their families would raise the number of those dependent upon the textile fabrics to 20 per cent, or one-fifth of the population.

Such is the manufacturing power of British factories. I regret that the means do not exist for comparing all of these statements with the statistics of foreign countries. Although in some countries accurate accounts are taken by the government of the various occupations of the people, and the size and extent of industrial establishments, yet so much of that which is performed under the factory system in England forms a part of a domestic system abroad, that it is not easy to institute a comparison with foreign countries; and I am obliged, therefore, to limit comparison to "cotton fabrics," for which I have obtained the following statements of the principal countries in Europe:

*Factories
in Europe.*

COUNTRIES.	No. of Factories.	No. of Spindles.	No. of Persons Employed.
Austria, ...	202	1,500,000	30,020
Bavaria, ...	18	558,700	12,000
Belgium, ...	169	600,000	12,000
France, ...	2,394	3,457,552	244,579
Prussia, ...	132	194,290	5,201
Russia, ...	70	1,400,000	50,000
Saxony, ...	134	604,646	12,000
Switzerland, ...	132	1,112,625	20,000
The smaller States of Germany, . . .	30	440,000	8,000
Total, ...	3,281	9,867,813	393,800
Great Britain and Ireland, ...	2,210	28,010,217	379,213

The above number of spindles—say, in round numbers, 10,000,000—are known to be in operation in certain countries in Europe, being those most engaged in industrial pursuits, and containing an aggregate population of 160,000,000. If to the remaining countries, containing a population of 55,000,000, we give 4,000,000 spindles—which is a very large estimate for Spain, Portugal, Italy, Turkey, Greece, Denmark, Holland, etc.—it will be found that the Continent of Europe gives employment to 14,000,000 spindles. To this number must be added the probable number in operation in America, which has been estimated not to exceed 7,000,000. There will then be a total of 21,000,000 out of England, tended by every variety of race, each with their different characteristics and habits; while in Great Britain alone there are 28,000,000, tended by industrious, intelligent and steady operatives.

The following shows the value of the various textile fabrics manufactured in this country in 1856:

CHARACTER OF FABRICS.	Estimated Value of Goods Manufactured.	Value Exported.	Estimated Value Consumed in this Country.
Cotton, ...	£55,298,778	£38,283,770	£17,015,008
Wool, ...	23,942,976	5,985,744	17,975,232
Worsted, ...	12,715,569	6,415,569	6,300,000
Flax, ...	15,100,000	6,262,528	8,837,412
Silk, ...	18,900,000	2,966,938	15,933,062
	125,957,323	59,914,609	66,060,714 ¹

The real causes of the expansion of British trade between 1850 and 1870.

Mr. Gladstone stated in one of his speeches, speaking of the period from 1854 to 1870, that British trade "grew by leaps and bounds." Every free trade book is filled with the most glowing accounts of the expansion of their industries during this period, attributing it all, of course, to the adoption of free trade. They ignore all those elements which were the prime causes of such expansion. They, of course, conceal the fact that it was a period of universal business and commercial activity in all countries. The constant extension of machinery and the application of discoveries in science, the accumulation of wealth, the building of railroads, were revolutionizing the commercial affairs of all civilized nations. These causes created a demand for commodities which England was best able to supply. That ability had arisen from a fitness which had been reached under the policy of protection. Wherever protective barriers were removed in other countries, her markets were extended and her trade increased. In all instances where she had greater facilities for supplying the new demands which had arisen, her markets were extended. In all instances, where on account of superior skill and longer experience the English manufacturers were better able to supply goods than other countries, they secured the trade. It was the supremacy which had been acquired by long years of experience, and by new inventions, that enabled the English people during this period to extend their foreign commerce and increase the output of their factories to such a great extent. In 1860,

¹ The Tariff Question, by Bigelow, Appendix, 108.

the mechanics, especially of the United States, and nearly of the whole world, were using tools made in England. The superior quality and reputation which they had acquired gave them a preference over all others. It has been said that in 1860 a large percentage of the merchandise on sale in the stores of the United States and of all the British colonies and possessions were the productions of English factories. The free trader, in boasting of the expansion of their trade, ignores all scientific discoveries and appliances in chemistry, electricity, pneumatics, hydraulics, and mechanics. What was really accomplished by scientific means is placed to the credit of free trade. It was the building of railroads which made the market for English iron, that increased this branch of commerce, and not the adoption of free trade in 1846. Her trade would have grown if she had continued her protective policy, just as it had grown and expanded for one hundred years prior to 1846. The advocates of free trade have kept constantly before the world, and pictured in most glittering terms, the increase in their exports and imports during this period. Mr. Newmarch, in 1878, recognizing the absurd lengths to which the praise of free trade was being carried, said:

*Expansion
of trade not
due to free
trade.*

Before entering upon the details of this inquiry, it is perhaps necessary to say, as a preliminary remark, that in treating of this vast extension of industry and foreign trade in this country, during the last twenty or thirty years, it is not for a moment intended to affirm that the whole of these extensions, or even the larger part of them, are due to free trade alone. It is a conclusion of common observation and common sense, that the progress of population, invention, science, and resources, have all most powerfully contributed to the producing and competing power of the country.¹

In the succeeding chapter it is proposed to take up the other side and show that, in the midst of the expansion of trade which was going on, the increase of imports had begun that system of undermining their domestic industries, which during the last twenty-five years has been displacing labor, diminishing profits and destroying the industrial life of the nation.

¹ Journal, XLI., Part 2, June, 1878, of the Statistical Society, Fair Trade Journal, Vol. I, p. 158.

CHAPTER IV.

FREE TRADE AND ENGLISH INDUSTRIES.

That was our real idea of "free trade"—"all the trade to myself!" You find now that by "competition" other people can manage to sell something as well as you—and now we call for protection again. Wretches!—*Ruskin*.

The *Birmingham Daily Times* has unearthed the following advertisement, from the *Times* of 1849, headed: *What does free trade mean?* It means:

Using French boots and shoes, and leaving the English shoemaker to starve.

Using French gloves, and sending the Worcester glovemakers to the work-house.

Using Geneva clocks and watches, and ruining the Clerkenwell watchmakers.

Preferring Brazilian sugar, and ruining our own West Indian Colonies.

Using French silks, and pauperizing Spitalfields.

Admitting Polish and American corn, and ruining our own farmers.

This is free trade. There is not another nation on the face of the earth besides England, so stupid as to tolerate it.

There were prophets in those days.

*The second
part of the
free trade
period—
1874-94.*

The second part of the period under consideration begins about the year 1874 and closes with the year 1894, a term of twenty years, during which it may be said that all the dogmas and alleged doctrines of free trade have been put to a sharp test in England. During this period, the Continental countries reached such a development of their industries that they had become strong and vigorous competitors of Great Britain, not only in neutral markets, but in the home market, as well. It is during this time also, that we find the only test of the actual workings of free trade in a great manufacturing country, when subject to vigorous competition. How else could the test of the efficacy of free trade be applied? It certainly is not in those industries in which a nation holds a monopoly. The United States requires no protection to cotton raising, because it can be grown in abundance and so cheaply that it is not subjected to the competition of the importation of cotton grown in other countries; but should the time ever come when American cotton manufacturers could be supplied with raw cotton from Egypt, Asia or South America, at a lower price than it could be profitably grown in the Southern States, then the question would present itself of the necessity of protection to this product. Free trade under these circumstances would determine the necessity of imposing a protective tariff, and the injurious effects of free imports could easily be ascertained. The experience of the United Kingdom under free trade during the past twenty-five years has furnished

the world with an example of its actual operation, and has subjected the system to a more thorough test than has been applied to it in any other country. The advocates of protection are now able to point specifically to the effect of free imports upon the industries of the greatest commercial nation in the world.

It is most interesting to trace the rise and growth of industries on the Continent of Europe, and through the official reports of the statistical department of the British Government, the steady year-by-year advance which has been made in the imports into England of those agricultural products of the United States, South America, the Continent of Europe and Asia, which have been poured in to feed the English people, undermining and supplanting the agricultural interests. We are able now to count, year by year, the increase of imports into England, of woollens, cotton goods, silks, and numerous other wares and articles, which are displacing English-made goods, reducing the profits of the manufacturers, silencing machinery, driving the capitalists and manufacturers out of the country to invest their money and remove their plants to those countries where they are shielded by the fostering care of protective tariffs. The student of economics to-day is able definitely to point out facts which during the earlier part of the free trade movement could not be obtained. That which at first rested wholly on prophecy and conjecture is at last exposed to the crucial test of actual experience. Protectionists are now invading the stronghold of free trade, and there finding the facts which completely annihilate its alleged principles and expose its fallacies. For the first time in two centuries the industrial progress of England has been arrested; although while she was under protection her industries were subjected to short periods of business depressions, arising often from over-speculation and other causes which exist among those people who engage in vast undertakings, and respond to great stimulating influences in their enterprises. The panic following the Napoleonic wars was the natural consequence of the inflation. Other panics of similar character visited the country, but there has not been in the history of the world a depression of such long duration as the one which has existed in England since 1876. It has been continuous, unabating and ever present, slight fluctuations in special trades have not checked the downward tendency, which has continued year by year. During this time profits of manufactures have been reduced to the lowest possible margin, and in many instances absolutely wiped out. Plants of whole branches of industry have become of questionable value. Repairs have been neglected. Old machinery has been used in many instances where there has not been sufficient confidence in a revival of business to warrant the purchase of new. Salaries of clerks, employees and salesmen have been universally reduced. The wages of artisans, for the first time in over a century, have been scaled down. In addition to this, only partial employment, three or

*Actual
effects of
free trade.*

four days a week, has been found, where hitherto, and especially under protection, full time was made. Industries have been destroyed, manufacturers bankrupted, and artisans either driven out of the country or reduced to pauperism. A large part of the people, nearly 5,000,000, are subjected to a condition of pauperism, or semi-pauperism. The agricultural industry of the country which for centuries afforded comfortable and profitable means of subsistence for a large portion of the population, is practically ruined. There has been no instance in the history of any country in modern times where such degradation, misery and poverty can be found. There is no country where such universal complaint of hard times is made. The important point to be considered is the fact that it is due to no exceptional or temporary business crisis, but has become the settled permanent condition lasting for nearly a quarter of a century, with no hope of improvement so long as free trade exists in England. It is to this period and to the conditions which have been brought about under free trade, that the attention of the reader is especially called. The free trade books, which have been circulated through the world, are devoted to the accounts of the growth of the foreign trade of Great Britain during the period immediately following the adoption of free trade; while they studiously avoid a disclosure of those conditions which have followed increased competing imports into England.

*Sources of
information.*

Since 1860 the world has been kept well informed upon the *external* trade of the United Kingdom. A record of its exports and imports is kept by the Board of Trade, which is the statistical department of the government. This department publishes a Statistical Abstract of the exports and imports of the United Kingdom; a similar work on the trade between the United Kingdom and foreign countries, and another on the trade with her colonies and possessions. The vast foreign trade of the country has constantly been pointed to as an evidence of its flourishing condition. Without stopping to analyze or classify imports, many people have taken for granted that their increase was an indication of prosperity. The increase of such imports, especially since 1865, has overturned all the calculations of Mr. Cobden and his associates, and accomplished a result which was wholly unexpected. On the one hand, the decline of exports of domestic productions since 1874 has added further evidence of the decay of that industrial system which at the close of her protective period was so pre-eminent and powerful. While we are able to gather much information from the official records of the British government, which points to the ultimate ruin of the United Kingdom as a producing country, we are unable from lack of official information to disclose its worst features. The free trade element which has controlled the British government during the past fifty years, has withheld from the world means of investigation which are accessible in the United States. It has been the policy of the United States government, in connection with an enumeration of its population

every ten years, to investigate the condition of its industries, and every phase of the industrial life of its people, while free trade England confines herself practically to an enumeration of her population, leaving the evidence of the growth or decay of her industries to the guess work of statisticians, who by estimates and unfair comparisons are able to produce almost any result desired. In 1885 the situation had become so alarming and the people had become so restless that something had to be done. Parliament appointed a commission to inquire into the causes of the decline of trade. This commission took evidence during a portion of the years 1885 and 1886. While it was controlled by the free trade element of the country and as far as possible prevented a thorough investigation of the economic conditions and the specific effect of free trade upon the industries of the country, sufficient facts were disclosed by the evidence of manufacturers and artisans in relation to the principal branches of manufacturing and trade to show the effects of the system of free imports. The disclosures of the effect of the importations of agricultural produce were astounding. Government experts were called before the commission and presented statistical tables and information from various departments. Reports from representatives and consuls upon the condition of trade and industries in other countries, were received. Questions were submitted to the chambers of commerce, principal business men's associations and labor organizations, calling for answers upon the conditions of trade, industries and wages, during a period of twenty years, between 1864 and 1884.

Royal Commission on the Depression of Trade.

While the Final Report of this commission has been published and commented upon, the evidence given before it and the facts contained in the answers referred to, have not received the attention to which their importance entitles them. It is principally from the proceedings of this commission that the writer has drawn his information upon the condition of British industries, trade and commerce.

SILK INDUSTRY.

So long as protection lasted, Macclesfield flourished.

—*Testimony before the Royal Commission.*

In writing his introduction to the second edition of the "Progress of the Nation," in 1846, Mr. G. R. Porter, speaking of the silk industry, said: "The progress of improvement in our silk manufacture is still impeded by a protective duty of 15 per cent laid upon foreign production, and our tariff continues to present some other deformities." The declaration that protection hinders and obstructs the expansion and growth of an industry, was one of the prime reasons given by the advocates of free trade for going the full length of repealing all protective tariffs. It was to the silk industry that Mr. Huskisson referred in the passage, quoted above, in which he urged parliament to "unbind the shackles" of protection, "permit it to take unrestrained its own course," "expose it to the wholesome

*Effect of
free compe-
tition on
silk manu-
facture.*

breezes of competition," remove "oppressive protection," and "the talent, the genius, the enterprise, the capital, the industry of this great people will do the rest."

The steady growth and expansion of this industry under the influences of protection up to 1860 have already been pointed out. From 1826 to 1846, it was shielded from foreign competition by an ad valorem duty of 30 per cent. In the legislation of 1846 the duty was reduced to an average of 15 per cent, which was continued until 1860, at the time of the negotiation of the Reciprocity Treaty with France. The ruin of this industry by the adoption of free trade affords a striking example of the unsoundness and imbecility of free trade maxims. The "shackles" with which it was bound were thrown off. It was permitted "to take unrestrained its own course." It was exposed "to the wholesome breezes of competition." "The talent, the genius, the enterprise, the capital, and the industry" of the English silk producers were given full opportunity to develop and expand this industry to the highest degree of perfection. After being "burdened" and its improvement "impeded" by protection (as the free traders asserted), it was now given an opportunity to exhibit results under the stimulating influence of free trade. What has been the result? In 1860 the industry was in a most flourishing condition. Not only in populous districts, but in almost every village in the midland counties, it was giving employment to people and adding an important part to the industrial life of the kingdom. In 1860 it gave employment to 160,000 people. Counting three persons to a family it may be fairly estimated that 480,000 persons found their means of support in this industry. It appeared from the evidence of John Newton, given before the Royal Commission, that in 1885, the number of hands employed had been reduced to 60,000. Up to this time then 100,000 artisans had been displaced by foreign importations and the goods which they had formerly made in England were giving support to laborers on the Continent. The decline did not stop here. It appeared by the census of factory inspectors of 1890, that the number of persons employed in this industry was only 41,277.¹

*Further
evidence of
the decline
of the silk
industry.*

Another evidence of the decline of this industry is found in the decreased consumption of raw silk, which was reduced in value from \$32-530,600 in 1860 to \$7,912,605 in 1875, and to \$6,096,610 in 1890. No sooner were the duties removed than the flooding of English markets with French fabrics began. The importations for home consumption were \$14,134,525 in 1860, and by 1870 they had reached the enormous sum of \$74,660,150, and in 1890 they were \$51,915,765. Exposed to the competition of Continental rivals the English manufacturers had not only been prevented from extending their trade and selling their goods in foreign markets, but their own home market had been surrendered to foreigners. It is now a conceded fact that the withdrawal of protection was the cause

¹ The Financial Reform Almanac for 1894.

of the ruin of this industry. The chief centres of silk manufactures that were so prosperous and thriving in 1860 have been ruined. Macclesfield gave employment to 14,000 people in 1859. By 1885 the number had been reduced to 5000. In Manchester the industry sustained forty factories, which by 1886 had been reduced to five. Instead of employing 30,000 people, as was the case in 1860, the number had been reduced by 1886 to 3000. Previous to the adoption of free trade there were between 5000 and 6000 dyers in England employed in the silk dyeing trade. The number had been reduced to 1200 by 1886. John Newton, a silk dyer connected with the trade, in his evidence, said:

"It is the cost of labor that has entirely killed the silk trade in Manchester."¹

Henry Birchenough, a silk manufacturer of Macclesfield, in his evidence before the Royal Commission, said:

Competition is pressing us increasingly, more especially from countries which produce most cheaply; from Switzerland and from Germany. Our profit is perpetually cut down. The price is controlled by the merchant who buys and then sells to the retailer or shipper, and who also buys from the foreign manufacturers, placing us directly in competition with them. That operates to bring our prices down to our competitors in trade. Some ten or fifteen years since our chief competitor was France. During the last ten years Germany and Switzerland have come into the field. I attribute the difference in price, in the first place, to the rate of wages; and in the second place, to a considerable difference in the charge for general expenses. The Italians, for instance, who work under the very cheapest conditions, have been able to compete successfully with all countries, France, Germany, England and Switzerland in plain fabrics. They can make such goods by power looms. They work about twelve hours in the day and employ young girls at low wages. Their loom sheds are small structures put up at a very light expense.²

The following evidence of witnesses before the Royal Commission on Industry in 1885, discloses the practical operation of free trade principles upon this industry:

Peter Malkin, silk weaver from Macclesfield, said:

Macclesfield.

I have been acquainted with the weaving branch of the silk trade since the year 1842, four years previous to the repeal of the Corn Laws. About this time, namely, the year 1842, it was concluded that there were in and about Macclesfield, between 4000 and 5000 hand looms at work, and the trade in every department was busy. In 1849, a book list of prices (wages), was formulated by twelve manufacturers and twelve weavers. Comparing the prices that are paid to the weaver now and what he received ten years ago, and to what the book list of 1849 testifies, I should say that the reductions generally which have taken place are 15, 25 and 30 per cent. But to revert to Macclesfield as to how it fared after the French treaty came into operation, it would be correct to say that for many years subsequently the whole trade of the town was prostrated, and it got the opprobrious name applied to it, through its sad condition, of the "doomed town," and down to 1868 there were, according to statistics obtained at the time, 1300 houses empty out of 7000.

During the last seven years five mills have closed in Macclesfield, and one very

¹ Royal Commission, Report II, Part I, p. 289. ² *Id.*, p. 276.

important mill. There are a great number of operatives out of work. I have made particular inquiries about the wages that they receive, and they average inside between 9s. and 10s., and outside somewhere about 7s. and 7s. 6d. or lower. If the cost of production should go so low as to equal the cost of production on the Continent, we then should be in a fair condition for sustaining our trade. But a question occurs to me as to whether we should be able to go down sufficiently low for that; but if we are unable to do so, then trade must go.¹

Free trade
and wages.

Bastiat said that free trade is a self-leveling process. This is true, but it always levels down, and never levels up. It reduces a country to the same wage rate and mode of living as its competitors. The struggle does not cease here, but goes on. The downward course is not arrested until one or the other is exhausted and surrenders. The practical operation of this principle upon which the success of one country over another practicing free trade is achieved, furnishes the most vital objection to the system. Under universal free trade the warfare becomes more intense, the survivor in the struggle must necessarily be that country whose capitalists will accept the smallest profits and whose laborers will consent to live on the lowest wages and practice self-denial to the fullest extent. This system of degradation is a part of that economic policy by which one country secures an advantage over another through what is so beautifully termed "economy of production."

The witness further said:

Our decline in the silk trade has been gradual since 1860. This is not, as it were, a passing depression, it is a continued depression since 1860, with the exception of 1870, and it has been gradual since 1876 to the present period. I attribute the depression to the large increase of importation of silk goods which has taken place. A great number of people have gone to America, to Paterson, which is called the Macclesfield of America; they have gone there and the population has doubled within the last twenty years. Q. Now we will go to the question of wages, you gave us a very interesting answer which I want to ask you about, namely, that low wages always, in your opinion, appear to create a diminution of the work that was to be done? A. It did appear to me to be so. The lowering of wages in any branch of industry, especially if it be a lowering relatively to the general rate of wages throughout the country, under the circumstances of the pressure of competition, always lowers the skill and ability of the work people employed in that trade. The low wages in the silk trade mean the depression and gradual deterioration of the industry in the silk trade, and of its power to compete with skilled industry in other countries. Where a low remuneration is offered there cannot be the same inducement to put forth skill and industry on the part of those engaged in the trade. Therefore, it strikes at the very root of the spirit of the traders and the workers. *So long as protection lasted, Macclesfield flourished.*

Those economic writers who, in the seclusion of their closets, furnished the world with the speculative reasoning which has formed the basis of free trade, were undoubtedly sincere men; but they left so many elements of human nature out of their calculations, that they were

¹ Royal Commission, Report III, p. 269.

necessarily led into many errors which would not have been committed if they had written in recent years, and been able, from their own observation, to watch the practical operation of what was believed by them to be sound principles. The proposition that the strife of free competition would give encouragement and strength to the combatants, was announced as a mere prophecy before it had been tried.

Experience has proven that, instead of acting as a stimulus, instead of giving new life and energy, free trade acts as a narcotic, deadens the nerves, and destroys hope and confidence.

James Twemlow, silk weaver, of Macclesfield, said:

There was one question put with respect to the poverty of the town, as to which I can say that it never was in such a state before. It so happens that I went to the Union Workhouse last Monday, and made inquiries as to the number of weavers on the books, and that were inside. I did so with reference to statements that had been made that there was no great depression, and no great calls upon the funds of the Union; I found that there are more weavers in the Macclesfield Union now, who are able to work if they could get work, outside, than ever there were before; and that there are more applications for relief than there ever has been for the last twenty-five years. Besides that, taking the official evidence that is given from books and from experience, there are scores of families that will suffer any privation, beyond all question, before they will apply for relief in any shape or form.

*Further
evidence—
Emigra-
tion of
working
men.*

Q. Do you see any increasing tendency to emigration on the part of skilled work-people in Macclesfield? A. Yes; young men that have learned their trade get off as fast as they can to America; that is the principal place where they are going to. They get 50 or 60 per cent more for their work than we get at Macclesfield.¹

Robert Clark, Macclesfield silk weaver, said on examination :

When I find that all the countries in the world close their markets to us, and are not allowing our manufactured goods to go in without a duty, and they are better situated than us so far as silk is concerned, I say it is time that we bethought ourselves to see whether we could not secure our own market by putting on some small tariff that would contribute to the revenue, and also be a little protection to the trade which is suffering under this foreign competition. There are many trades that are suffering. If my income is threatened, which is 7s. 6d. to 9s. a week, and I have no purchasing power, and if you limit the trades of the country to two or three, and I cannot purchase of those other trades, the depression becomes general. With regard to the example of putting a tax on corn, I say that if I am benefited by protection, every other trade that is suffering from foreign competition ought to be considered as well as myself, unless we get universal free trade. It would give employment to people if we had universal free trade; but the tendency seems to be that every country fosters their own trade and their home products; and the French manufacturer floods our market with his surplus produce.

If I had the means to do it, I would scarcely go home again. I would go right off to America myself; but I have not the means. Of course I have no friends in America who would advance the money. That is what enables the people to go over from Macclesfield; it is not the money that they have themselves; their friends in Paterson send them over money, and it is in that way that hundreds have gone out, and it is in that way that they are going out at the present moment.¹

¹ Royal Commission, Report III, p. 280.

*Plea for
protection.*

Mr. J. Wright, president of the Macclesfield Chamber of Commerce, said:

I have come to the conclusion that unless we can have free trade pure and simple, or on the other hand we revert to a protective policy, the silk trade is doomed to die out in this country. Technical education has been instanced and we have heard to-day that Lyons has been the home of technical education for years past. That being the case, I ask myself the question why is it that Germany, Switzerland and Italy are taking away trade from Lyons and from France, because in Italy they have not enjoyed to the same extent technical education—therefore, if we rely upon technical education in this country to resuscitate the silk trade I think we may well point to Lyons and ask why it is that it has not been retained there. It is on account of the cheap labor; that is self-evident when I say that in the 18,000 silk looms now employed in the neighborhood of Lake Como, the work people only earn from 8*d.* to 9*d.* English money a day, for fourteen hours per day. Q. Then is your remedy for the depression here to get cheap labor? A. No, I consider that labor is cheap enough in this country; we are not now hampered with any want of cheap labor in our own trade, but the depression has brought that state of things about entirely. We find every year that the Continental market is being gradually closed against us, and we cannot for the life of us find out any fresh markets.¹

If the witness had lived in the United States during the recent agitation of the tariff question, he would have learned of those "markets of the world," which Mr. Cleveland and his associates have discovered for the American manufacturers to rush into as soon as they adopt free trade. The witness further said:

There is no lack of enterprise, considering the great depression we have suffered of late years; but when there have been years of almost suffering, and a downward tendency ever since the Cobden Treaty, people begin to lose heart as they lose money. I may say to gentlemen who do not accept my opinion on this question, that we do not like even mentioning the word "protection," but we do not really see any chance of a revival of English trade in this country unless this increasing and severe competition from abroad is met with something like retaliatory duties, or a revised tariff. I only see one remedy. In 1861, when there were, I think, upwards of forty silk manufacturers in the neighborhood of Manchester, which is eighteen miles from Macclesfield, I went down upon a deputation from Macclesfield to urge the Manchester manufacturers not to consent to the conditions of the Cobden Treaty. There were twenty-nine manufacturers at the time who signed the Cobden Treaty, and I believe only two of them are in existence as tradesmen to-day; and those gentlemen, and all connected with the inauguration of that treaty in Manchester, would tell the Commissioners to-day that they regretted having done what they did at the time, and that they believe that it has been fatal to the silk trade of England; and that had Mr. Cobden been alive, those gentlemen who knew him personally feel that he would have been one of the very first to have considered that a great error had been made.²

*Cheap
goods and
low wages.*

The foregoing evidence is most important from a strictly economic point of view. It utterly annihilates one of the cardinal scientific dogmas of free trade. The chief argument used by Mr. Cobden and his associates

¹ Royal Commission, Report III., p. 283. ² Id., Report II., Part I., p. 287.

to induce the silk manufacturers of England to give their approval to free trade was, that the effect of free competition would stimulate them to the exercise of such a high degree of skill that they could outstrip all rivals; that free trade instead of pulling them down would lift them up. It is important to know that the question of wages, after all, lies at the bottom of the whole controversy. High wages, it seems, do not bring cheap goods, but low wages do. The excessive competition which forces a reduction of wages, and a loss of profit, instead of stimulating to new exertions, operates to destroy ability to compete. As Mr. Wright says, "the people begin to lose heart as they lose money." The suffering and degradation wrought by the destruction of this industry, is treated with callous indifference by the advocates of free trade. The "cheap loaf" has not compensated the artisan for the reduction in his wages. Cheapness is here exemplified. As almshouses were being filled, and the ruin of this industry progressed, the free trade parrot-like chatter was heard, "try something else." This was the only relief offered, when there was nothing else to try.

*Reduction
of wages.*

October 19, 1890, a special commissioner of the Manchester newspaper, *The Umpire*, visited Macclesfield and Congleton to investigate the situation. At the close of an article headed, "Working for Death," after reviewing the terrible hardships and suffering of the work people and showing that wages of men were ten shillings (\$2.40) a week, and women were working for six and seven shillings a week. He said :

Is it worth while to continue at the work? I asked a cutter. "I don't know whether it is worth while," he answered, "but what must we do? We are in it, and must stick at it. We have to make our wives and children stick too. It is wrong and I know it, but we cannot help ourselves. It is brutal, sir, nothing short of it; but, God knows, we cannot help ourselves."

In conclusion the writer of the article said :

And isn't the British lion trying to put down some slave traffic somewhere? Truly, we English are about the finest lot of pharisaical humbugs on the face of this fair earth. It's sickening to think of, though we *are* a truly pious people. We go to our several little Bethels on Sunday, and thank God that we are not as other men, and on the other six days of the week we grind down the poor, and the unfortunate, and the helpless, until life is a hell, and death a welcome exit from starvation and misery, and degradation, and disgrace. I say, a man who depends upon such remuneration as I have just mentioned above, for his daily bread, does not *live* in the true sense of the word—he exists; nothing more.

COTTON INDUSTRY.

The owners of cotton mills in Manchester were more directly responsible for riveting the fetters of free trade on the English people, than any other body of men. They had become rich, powerful and arrogant, through the vast accumulation of wealth acquired in this trade. Their pre-eminence arose largely from having first employed machinery, and by

*The "battle
of the
fabrics."*

prohibiting its export secured to themselves a monopoly of its use. It was believed by Mr. McCulloch and other eminent authorities, that the advantages which they possessed in 1846, could be maintained, and through their ability to produce a vast surplus for export, that foreign markets would be so flooded with this fabric, that the rise of cotton factories in other countries would be prevented. This end could, undoubtedly, have been accomplished, had the United States and the Continent joined in the free trade policy with England, and exposed their capitalists and artisans to the raids which would have been made upon them by the cotton lords of Manchester. Cobden and his associates formed a low estimate of the patriotism and ability of the statesmen and people of those countries. While the cotton industry of England is to-day more vast than that of any other country, during the past twenty-five years it has shown very marked evidences of a decline. For a time, it held absolutely its home market and found no rivals in those countries equally accessible to all. English manufacturers had reached such a degree of skill and economy in production, having more capital, the most efficient machinery, and skillful artisans, that they were enabled to invade those countries which had put up protective barriers, and carry on a sharp competition against protected industries. The struggle for supremacy in this industry has been called the battle of fabrics. The English manufacturers on one side, seeking by diplomacy, intrigue, and intermeddling in the affairs of foreign states, to prevent legislation favorable to the existence of domestic industries, reaped large profits from sales in their colonies and in neutral markets, where there were none to contest prices, but sold at small profits, and even at a loss in other localities, to harass, cripple and bankrupt those who were seeking to supply the home trade. The smooth and beautiful theories of speculative economic writers have played no part in the cut-throat policy that has been pursued. The conspiracy against civilization and humanity, entered into by the cotton manufacturers of England, was the most far-reaching and gigantic of its kind ever formed. The agriculturists at home were first marked for destruction, and through false pretences and the most infamous frauds ever practiced on a people, were induced to abandon the only policy under which they could prosper. The ruin of the agricultural interests of England has inflicted a more lasting and greater injury upon the people of that country, than would have followed the complete annihilation of the cotton industry. The definite purpose entered upon to make "cheapness" the basis of the industrial life of the English people has culminated in a degree of misery and degradation among the English laborers, not to be found in any other civilized community. The cotton industry was to be built up by sacrificing the agriculturists of the realm, and by condemning the artisans of England to a wage rate which could not possibly rise above the means of subsistence.

*Foreign
rivals.*

In bringing about "cheapness" the policy of free trade has been a success, but as a means of securing thrift, enterprise and prosperity it has proven a failure. The senseless talk about benefiting the consumers and letting the producers take care of themselves has worked out its legitimate end in ruining the producers, who form the great body of consumers. The home market has been in part destroyed by reducing and keeping at a low point the purchasing power of the great mass of the English people. Even the cotton industry, the one most likely to thrive under free trade conditions, has been seriously affected by the results which have followed the teachings of the Manchester School. Continental rivals, with an abundance of accumulated capital, machinery equally efficient with that used in Great Britain, with densely populated centres of skilled artisans working at low wages and during long hours, have entered the contest for supremacy in neutral markets, and to some extent invaded England herself. But a more serious problem than this has recently been presented. One which is shaking the confidence of many Englishmen in the wisdom of free trade, one which is creating consternation and alarm in the cotton manufacturing centres of Western Europe. Cotton manufacturing is being established in China, Japan and India. The millions of Asiatic laborers who can be employed for a few cents a day are being trained in spinning and weaving. The surplus capital of Western Europe is finding investment in these countries. Vast cotton factories have been constructed and equipped with the best machinery and all modern appliances, and, under the direction and control of experienced Europeans, they are producing cotton fabrics at a marvelously low cost. These markets, which have so long been exclusively controlled by English manufacturers, are being transferred to their new rivals. Present indications point to such an expansion and increase of production under the conditions existing in Asia, that the time may come when nothing but protective tariffs will save England from the complete annihilation of this industry by goods made by the cunning, apt and ingenious people of the East. Even those free traders in England who have been so solicitous for the welfare of the consumers are alarmed at the situation. According to strict free trade notions such an event would prove a blessing, rather than a misfortune. Yet the evidence of English manufacturers, given before the Royal Commission, shows that such a fallacy has seen its best days even in England. Should the development of the cotton industry in the East go no farther than to supply their home markets, which seems to be very probable, it would result to a serious injury to England.

"In 1889 British East Indies absorbed 42.76 per cent of exported British manufactured cotton goods, and 19.26 per cent of exported British yarn, whilst China and the far East took 13.18 per cent of manufactured cotton goods and 14.15 per cent of yarn."¹

¹ Manchester Courier.

*Competition of the
Bombay
mills.*

The menacing feature of the development of the cotton industry in Asia was set forth in the evidence of Mr. George Lord, member of the Chamber of Commerce of Manchester, before the Royal Commission on Depression of Trade, February 17, 1886, as follows:

Q. Have you anything to say with regard to the present position of the cotton trade in this country, and its course during the last fifteen or twenty years, or as to the causes of the depression which has been complained of? A. I have some interesting tables here with regard to the subject of competition from Bombay mills. My partner in Bombay made up, with the assistance of others, at the end of September last, a most complete statement down to that date, of the mills in India, from which it appears that there were then ninety-two mills in existence. I should say that when I arrived in Bombay, in 1857, the first mills had just been started there. There were only two mills there at that time, and since then they have gone on increasing very rapidly. In September last there were ninety-two mills altogether. It was difficult to get information with regard to five of them, but I have very detailed information with regard to the other eighty-seven mills; the spindles at work then were 2,145,000, and there were 16,537 looms. In the tables that I have put in, table C shows that out of those 92 mills there were in the Bombay Presidency 68, namely, in the city of Bombay itself, 49, and 19 in the Mofussil, that is in the Presidency of Bombay. With regard to your lordship's question as to the competition, I have here, which I will hand in, a table marked C of the exports of British and Bombay yarns to China and Japan, from the year 1867 up to the thirty-first of December, 1885, the end of last year (delivering in the same). The first year in which Bombay figured largely as an exporter of yarn to China and Japan, is 1876, when she sent 16,216 bales, and the increase has been gradual and rapid until 1885, last year, when she sent 173,000 bales, more than ten times as much; and, in the meantime, England had sent to the same markets, China and Japan, in 1876, 73,765 bales, whilst last year only 80,000 bales were sent, so that there is an increase of only 7000 bales of English yarn in ten years, whilst Bombay had increased from 16,000 to 173,000. Mr. Houldsworth has called my attention to the fact that in the year 1880 the export of English yarn had risen to 106,000 bales, so that since 1880 there has been a falling off of 26,000. Q. How has it been with regard to the Bombay mills? A. The Bombay mills in that period have grown from 16,000 to 173,000 bales, so that you may take it at once that that is one cause of our depression. I hand in another table, D, which I received last week from my partner in Bombay, of the shipments of piece goods and yarns together from the Bombay mills, and that shows that of the yarn spun in Bombay 75 per cent was exported amongst other markets, principally to China and Japan, and only 25 per cent of Bombay spun yarn was used in India proper; whilst piece goods the reverse was the case, only 27 per cent was exported and 73 per cent was used in India. From one of the tables that I have put in, table F, we find how large a customer India is. Of the total exports of cotton goods and yarns (for this purpose I leave out such things as lace, thread and so on, and simply take cotton goods, calicoes and yarns) the total export in the year 1884 was 65,000,000 pounds, and of that India took 20,000,000 pounds, China 6,000,000 pounds; and of the total in 1885 of 60,000,000, India took 19,000,000 pounds, which is one-third of the whole; the falling off in 1885 is owing partly to the lower prices.¹

The growth of this industry in Japan since 1886 will be pointed out later. Some very interesting facts with reference to the present condition of cotton manufacturing in England were given by Samuel Andrew,

¹ Report II., Part I., p. 182.

representative of the Oldham Cotton Spinners' Association, before the Royal Commission.

Q. Are there any special causes which tend to prevent our producing either as cheaply or as well as our foreign competitors? A. I do not know that there are any special causes. I could not allege any for the moment. I believe that they certainly get cheaper labor abroad. Q. To what countries are you alluding? A. In the old city of Venice, and in the immediate neighborhood, I have been told that there have been several large cotton spinning mills and manufactories established within recent years, and I am told that in those mills they work all the hours that it is possible to work, 132 hours a week; but I may tell you that I have returns from one of those mills showing the hanks produced per spindle. I have had the counts given to me and I know that there is no spindle made in England that can produce such a number of hanks in the time that it has to work here in England. For instance, I find that in Venice they are producing thirties counts, and they are producing fifty and sixty hanks per spindle per week. That is more than we can do, for we think ourselves well off if we produce about twenty-eight. That must have a very great influence upon the cost of production. It is the pace that kills, and if these people are producing at a larger rate than we can do on account of our number of hours being limited, that is an element of danger to our trade, so far as it goes.

Competition of Venice.

Q. Do you think that the duties charged upon our goods in foreign countries has any effect upon our trade? A. No doubt it has to some extent, because we have been seeking all along for a great number of years to get such tariff charges reduced. There can be no doubt that our trade is suffering very greatly from over-production, but it is not that we are producing more than the world really requires, but that we are producing more than the world can really afford to pay for, and this points to the importance of lessening the cost of production to the last possible degree.¹

Protection looks to the welfare of the consumer by preserving home industries, maintaining good wages, thereby enhancing the purchasing power of the masses; while free trade seeks to reduce the cost of production by cutting wages, thereby diminishing spendable incomes and making the buyers poor. If English manufacturers would pay more attention to the home market by protecting and increasing the wealth of Englishmen, there would be less necessity for reducing wages to compete with the Continent, and less complaint of the poverty of customers.

The witness further said:

Necessity of reducing wages.

Within the past few weeks we have been making an effort to reduce wages, and the cause of our making that stand has been the very unremunerative state of the trade, and that as the wages, notwithstanding that they have been reduced to some extent, have not been reduced in anything like the proportion in which the profits of the manufacturers have been reduced. We consider that it is one of those things which the operatives should consider more favorably than they have considered it up to the present. Q. Is there any other means of reducing the cost of production? A. I do not think there is at present. I believe that everything has been done in the shape of economy in the cotton mills.

Everything has been done to reduce the cost of production to reach a degree of cheapness to undersell competitors. Profits have been surrendered, wages have been reduced, and yet they must be driven down

¹ Report II., Part I., p. 143.

still lower. To whom is such an industry profitable? Not to the capitalist, not to the wage earner, and if not to these, certainly not to the nation.

The witness continued :

Q. Is there any competition at Oldham between one company and another?

A. Practically there is no competition, because the lines that enter Oldham agree not to outbid each other. They agree to charge a certain price from a certain point, whichever company is to bring the traffic.

So it appears that even in the cotton industry, protection in the United States is not the "mother of trusts." Free trade in England has not relieved the people from combinations of this character.

*Depression
of cotton
industry.*

The following evidence of numerous experienced cotton manufacturers, upon the various phases of the question of competition, and the growth of industries in other countries, will lead the reader at once to conclude that it will be wise for the people of the United States to preserve their home market, rather than to subject their industries to the life-and-death struggle which has raged in England since the advent of free trade. The very existence of the cotton industry in Great Britain, with all her vast facilities for production is threatened. It is absolutely certain that the people of the United States paying much higher wages, could not exist for a single moment under free trade; exposed to an inundation of foreign fabrics, such as would be absolutely certain to take place upon the removal of protective tariffs. The evidence is so pointed and clear, that comment is scarcely necessary.

Thomas Stuttard, member of the firm of James Stuttard & Son, cotton spinners, carrying on business at several large mills, gave the following evidence before the Commission:

Q. Would you say that the business is now in a condition of prosperity or depression? A. Last year it was certainly in a state of great depression, at the present time one-half of it is in very great depression, that is, the spinning branch. It has manifested itself by the falling off in the demand for goods and by the fact of the enormous number of looms which have been stopped by the bad prices and by the unprofitableness of the work. The Manchester papers mention that 50,000 to 100,000 looms had been stopped at various times during the year 1885. The number of men employed has diminished. There has been a reduction in wages in spinning of 5 per cent at Oldham. Two or three years ago there was a reduction in the wages paid for weaving. There has been a greater falling off (in trade) in the home market than there has been in the foreign market. Q. How do you account for that? A. In the home trade, by the impoverishment of the land-owning class and farming class.¹

"By the impoverishment of the land-owning class." What an admission from a cotton manufacturer! Less than forty years ago it was by the impoverishment of this class that the cotton lords were to be made rich. The farmers were to be drummed out of the country. Now they are needed for customers to sustain a decaying industry.

It has continued to suffer by foreign competition in the cotton trade generally, to the extent, probably, of one-tenth part of the whole consumption. Foreign goods come

¹ Second Rep., Part I., p. 167.

into the home market in competition with us. Gray and bleached calicoes, dyed, printed and fancy fabrics, and especially cotton velvets, they come from France, Belgium and Germany. A few have come from America, but not to any great extent. The goods which we used to make for Germany have lessened in sale year by year, and we only sell comparatively small quantities, and those go mostly to Hamburg, a free town.

Q. Are there any classes of goods that you are acquainted with, with regard to which the foreigner, either German or French, can send the same article into this country cheaper than it can be made in this country? A. If the manufacturers in any part of the Continent, say either Germany, France or Belgium, were placed in the competitive circumstances in which the Lancashire manufacturers have been placed the last twelve months, with the necessity that they would be under to sell at a slight loss the same as we do in Lancashire; and if they were to sell their goods without any profit or any return toward the capital invested in the business, I have but little doubt but what those foreign makers could easily send goods into Manchester itself at lower prices than the Manchester manufacturers can make them. Foreign competition will undoubtedly grow each year with increasing force. Q. Then I understand that you consider that the foreign manufacturer probably is in better condition to turn out cheaper goods than we are in this country? A. He is in a very much better condition for fighting us. If I, for example, want to make an impression in a neutral country and have to fight opponents there, I can fight them a great deal better if I am tolerably well off than if I am not. Under the present system many of the manufacturers in this country are getting poorer and poorer; they have not the backbone; and when we are told to improve our style and employ new designers, and all that sort of thing, it is only a very limited few of us who can afford to indulge in that luxury. The foreign manufacturers are better off than English manufacturers. In the first place, they have a certain market in their own country for their own goods.

Foreign competition.

Yet this was the advice the Anti-Corn Law League gave to the farmers in 1854, to adopt more scientific methods. It failed there as it will fail now. This is the only remedy the professional free trader offers. The witness, speaking of the strength of foreign manufacturers, said:

There is no outside competition of any moment, and if they choose to send any of their surplus goods into Great Britain or into neutral markets, they are sure almost to present some little variations from the current British work, and may thus command a sale.

Q. Are you in favor of anything being done in this country to place duties on foreign manufactures that come into England? A. Personally, most decidedly. I should simply do it not only as a matter of justice, and not to create a monopoly for the manufacturers, but simply to place the foreigners on a basis of equality with our native manufacturers. The workers of this country have to find the taxes of the country and that sort of thing, and it is only right and just that the foreigners should pay on imported foreign labor just as much as would equal that amount. If we can keep within our own domains employment for our work people, by a small 10 per cent duty, that is a thing to be much desired. I have conversed with many of our operators and they would be quite willing to pay a farthing more a loaf for their bread and have constant employment, and thus have a little more money.

Need of protection.

In full work we employ between 1000 and 1100 work people, but latterly about 800 to 850. Q. At the present moment are the weavers in your own mills earning an average of 20s. a week? A. No. Q. Would it be 15s. a week? A. I think so, though we have a good deal standing more or less, for lack of work. Q. (Chairman.) I think

you have a letter you wish to lay before the Commission? A. I was requested by one of our customers to read this letter. It is from George Morris, a merchant who trades to the West Indies, South America, the Mauritius and elsewhere. With regard to the cotton trade depression he says:

*Impose
duties on
competing
products.*

"What Lancashire is suffering from mostly now is the smallness or absence of profits altogether; this is best illustrated by a case of actual fact. A manufacturer of fine shirtings, cambrics, etc., told me that twenty or thirty years ago we used to make half a crown a piece profit regularly, but then our goods went to the United States, Germany, Russia, and even Spain; now they are nearly all shut out, except the finest qualities which are used by the rich people in these countries and where the duty is no object. Now nearly all our stuff goes to the far East, and we often do not make even a penny a piece on them. The duties imposed in this country are, unfortunately, nearly all on the productions of our best customers, such as coffee, tea, wine and tobacco, coming from countries where 'they spin not neither do they weave,' but our policy is driving them to both. The feeling is decidedly growing that such duties should be taken off, and even the total abolition of the tea duty is advocated, because China is one of our best customers. Duties should rather be put upon the productions of our competitors, of which a striking example is shown in the great injury done to the Lancashire trade by the free importation of beet root sugar. This has seriously curtailed the demand for our goods from the sugar-cane producing countries, such as the West Indies, Brazil, Mauritius, Java, Manila, etc., where the proportion of colored and printed goods taken is largely in excess of gray goods; whereas the exports to India and China consist of a very large proportion of gray goods, and consequently find less labor and profit for our people. The government of this country must have a revenue of some £90,000,000 or £100,000,000 per annum, and this can only come out of the labor, profits and rents of the people, consequently, any fiscal system which diminishes the incomes of the people must certainly tend to diminish the revenue. The diminution in revenue from the excise is steadily going on, which shows that the condition of the working classes is not nearly so good as it was twelve or twenty years ago, and this is owing to reduced wages and short time working, some factories and works not having done more than three or four days a week during the whole of last year, and a good many mills being totally closed for a part of the year. The diminution in commercial salaries in this city is very marked, being generally 25 or 30 per cent, and in some cases even 40 per cent less than twelve years ago. The decrease in the large number of men who formerly enjoyed salaries of £1000 a year as buyers, salesmen, cashiers, or managers of departments, is strikingly illustrative of the decline in the cotton trade."

The foregoing facts are strikingly illustrative of the principle that a policy having for its chief end "cheapness" cannot reduce its wage-earners to that free trade basis of bare subsistence, without dragging every phase of social life and branch of employment down toward the same level. The warfare of competition under free trade strikes at every household, every trade, industry and profession; it spares no one, and operates not only as a blight on enterprise and a check on industrial progress, but in its leveling process dooms every one to share in its miseries and to contribute to its ultimate end.

James Mawdsley, representative of the Amalgamated Association of Operatives Cotton Spinners, of the District of Lancashire, Yorkshire, Cheshire and Derbyshire, was examined and said:

Q. Suppose we in England adopted the same hours as they have in Germany and

France, and the same wages, do you think we should make our goods cheaper than we do at the present moment? A. I think that is a simple truism. Q. Then to that extent there is no doubt that the foreigner being free to work longer hours, and having a lower rate of wages, has a clear advantage from these circumstances in the price of the article he turns out? A. Yes, that is clearly so.

I have objection to men working as long hours as they like. It is a physical and moral objection, and not an economical objection.¹

William Schulze, merchant and manufacturer at Galashields, having business connections with the whole of Europe, the United States, and South America, also to a small extent with India and Australia, was examined and said:

*England's
rivals
protected.*

Trade is not flourishing, manufacturers are not nearly sufficiently employed, we can get no profits; there is a considerable falling off in demand. It is due in my opinion, partially to foreign countries advancing considerably in their capacity of producing, and also it is due to the high tariffs which we are paying for sending our goods into other countries. But with the advancing capacity for production the tariff has not been gradually reduced; on the contrary, I know of no case where tariffs have at all been reduced. Whenever there has been a change it has gone against us. I am speaking of Germany, Austria, Russia, Spain, Italy and the United States. I think those are the principal countries. In other countries there is no production to speak of, and consequently we are not under the same difficulties with regard to them. Q. With regard to the increased production of goods in other countries, which have been displacing ours, is it a production founded upon fair and equal competition, or a production artificially nourished by their tariffs? A. It is artificially nourished by their tariffs.²

"Artificially nourished," that is shielded from destruction by the laws of the land. A foreign rival is required to pay a certain sum at the custom house for the privilege of invading the country, and attacking the life of a home industry; and the sum to be paid, called a duty, is fixed at such an amount that the undertaking is made unprofitable. If this is an "artificial" regulation, then the laws which protect a man's property against the outlaw are also artificial. If British industries had a little of the same kind of nourishment, they might have more strength, live longer and flourish.

Why should not a nation favor its own citizens against strangers in trade as well as in everything else? The witness further said:

They could not compete with us on equal grounds; there may be exceptions, but as a rule not. The cause of the increased production in these foreign countries is the maintenance by them of heavy tariffs against our goods, under which their own industries are artificially fostered and ours discouraged. The longer a protective tariff is maintained against us by any country, the stronger its manufacturers become to compete with us on equal terms. Germany and France, and perhaps one or two other Continental countries, are competing more with us in neutral markets than they were some few years ago. They are competing with us successfully. That is on equal terms, of course, in neutral markets, because of their growing capacity. Q. It has been, as you are aware, asserted by a certain school of political economists, that a nation maintaining a protective system cannot compete on equal terms in neutral

*Protectionist
countries
stronger in
neutral
markets.*

¹ Second Report, Part I., p. 172. ² Id., p. 190.

markets with a nation maintaining the system of free imports. Does your experience confirm or contradict that doctrine? A. It confirms it to a certain extent only. I mentioned before that the capacities of production of foreign nations are increasing and they are more able to export their goods also. Q. In spite of their protective system? A. Yes, in spite of their protective system. Q. Which we have been assured would forever prevent their doing so; but in spite of that assertion I understand you to say that they are competing with us now more successfully every year in neutral markets? A. Quite so; that is the case.

It is a common assertion of free traders that protected industries are weak and sickly. By preserving their home market under protection Continental nations, with their cheap labor, have a decided advantage over England. Their manufacturers have a large market secured to them and manufacture a surplus for foreign trade. Their surplus meets English goods in neutral markets. If they paid higher wages than are paid in England it would so enhance the cost of their goods that they would fail in the struggle. The manufacturers who pay the lowest wages, other things being equal, will control neutral markets. This is the reason why Germany and France, although protectionist countries, must pay low wages, so long as they depend on foreign trade. The United States must enter foreign markets on the same terms. The witness now proceeds to confirm what has already been pointed out, that the Manchester manufacturers sacrificed the agriculturists for the purpose of furnishing the artisans with cheaper food, that wages might be kept down. This was the economic effect of such policy as understood by the advocates of free trade. Mr. Gladstone recognized the insufficiency of the principle of cheap food to elevate the masses of the people when he said:

*Cheap food
offset by
low wages.*

“One of the fallacies which was employed on the hustings was the cry of cheap bread. That cry of cheap bread, considered by itself, means nothing that is necessary or beneficial to the laboring classes.”¹

The witness further said:

Q. It has been maintained, as you are aware, that England has an advantage in cheapness of production over those countries, by reason of her system of free imports of food? A. Yes. Q. Germany, you are quite aware, has now taxed food for some six years; has there been any effect apparent during that six years in the weakening of the competitive force of the German manufacturers in consequence? A. I think not. German competition is certainly stronger against us than it was six years ago. Q. Is it not the fact that the only way in which free imports of food enable the manufacturers of one nation to beat the manufacturers of another is by the population living more cheaply, and working for lower wages? A. Of course that seems to be natural; it could not operate in any other way than that. If cheap food did cheapen production of manufactories, the only way in which it could operate in that way would be by reducing the price of labor. (By Professor Bonamy Price.) Q. Under protection, may wages rise? A. Of course they have more chance to rise. Q. Do low prices generally make low wages? A. As a rule.

¹ Hansard, Vol. 61, p. 273.

Those who have read the writings of Professor Price will appreciate how he must have felt when he received the above answers. The experience of business men overthrow the fine-spun theories of the free trade professors in every instance.

Joshua Rawlinson, secretary of the North and Northeast Lancashire Cotton Spinners' Association, which is a federation of the Employers' Association of Blackburn, Preston and Burnley; also director of three limited liability companies having cotton mills in Burnley, was examined, and said:

*Reduction
of wages.*

Q. What do you consider to be the present condition of the cotton trade; do you call it prosperous or the reverse? A. It has been very much depressed; in fact, the present depression may be said to have commenced in the year of 1876. The year of 1877 was worse than 1876, and 1878 was worse than either of them. The effect of the depression in those years was to reduce the price of labor. In June of that year, the wages in both the spinning and weaving departments were reduced 10 per cent, after a strike of nine weeks' duration, which extended from Preston to Burnley, Blackburn, Accrington and intervening districts. In April, 1879, a further reduction of 5 per cent was made. In December, 1883, a reduction of 5 per cent was again made in the weaving department, and this caused another strike in Blackburn, Darwen and Padiham, which lasted nine weeks. The weavers in the Preston and Burnley districts accepted the reduction. At the present time the wages paid in North and Northeast Lancashire are, therefore, 10 per cent below the level of 1878. In the course of that reduction there had been two prolonged strikes. In the town of Burnley there are 1400 looms and 53,400 spindles standing idle at the present time; that is relating to machinery solely, and there are empty mills and sheds in the town capable of holding 5869 looms and 126,000 spindles, which only need equipping with machinery to be set to work. In the Blackburn district, I am informed, that there are 6700 looms and 186,000 spindles standing idle, and that mills have been burnt down, or pulled down, and not rebuilt within the last few years, capable of holding 330,000 spindles. Q. What effect does this have upon the rents obtained upon mills and sheds? A. The rents obtainable for mills and sheds have fallen very greatly during the last two years. Spinning mills in Blackburn cannot be let at any price, and I am informed that a fire-proof spinning mill, containing 18,000 spindles, will be let rent free, if the tenant will pay rates and taxes, and keep the building and machinery in repair.¹

Q. What do you consider to be the cause of this depression? A. They are very numerous. In fact, there are a combination of causes. The fall in prices has greatly injured the cotton trade, because it is so largely dependent upon the export trade for its prosperity. Of cotton productions four-fifths are sent abroad, and hence, the smaller return made for foreign products has had a great effect in lessening the buying power of our customers abroad, because they have got such a small return for the raw materials they have sent us, that their buying power is very much lessened. Q. Do you attribute the depression, to any extent, to the increase in the cotton machinery abroad? A. Yes, I think that a very great cause of depression is the extension of cotton machinery in Europe, America and India. Many of our former customers now manufacture their own goods. The higher wages and the shorter hours of this country do undoubtedly tend to give our competitors a great advantage over us. I think that the shortened hours and higher wages have made our labor more productive in proportion to the time spent upon it; at the same time, it (the productive capacity) is increasing in other countries by the improvements of their machinery; hence, were they

*Causes of
depression.*

¹ Second Rep., Part I., p. 203.

*Sign of
decay in
British
cotton
manufac-
tures.*

to pay lower wages and work longer hours, they are bound to have some advantage over us.

Within forty years from the time when the cotton manufacturers of Manchester asked for the repeal of all protective regulations, and invited foreign rivals to a contest under free trade, we find many of the most experienced and able among them pleading for a return to protection. Conditions have changed. In 1846 they were practically without rivals. By 1886, under the fostering care of protective tariffs, the best markets in the world were being supplied by domestic producers, with facilities for production so extensive that a portion of the surplus was selling in England. It is a significant fact that in order to meet such aggressions, to hold their home market, and to prevent a much larger loss than they had already suffered, from taking place in neutral markets, the wages of English cotton spinners and weavers have not only been reduced, but the profits of employers have sunk so low that the business has ceased to yield a fair return or to invite the investment of capital. The palmy days of the cotton industries are over. The great profits which were made through the monopoly of markets have disappeared. They have been subjected at last to that "struggle for existence," that "survival of the fittest" to which agriculture, the silk and many other industries were subjected immediately after the introduction of free trade. When the situation is fully understood it is an easy matter to explain the vigorous action of their sympathetic free trade friends in the United States. Free trade in the United States would surrender the valuable market of 70,000,000 of people in America to foreigners that their trade may be restored and their declining fortunes revived. During the last twenty years the English cotton manufacturers have looked forward to an event of this character as the great source of relief from their condition.

The official statistics of the British Government disclose a condition of imports and exports which is certainly not encouraging. The imports of fully manufactured cotton goods for home consumption in 1860 were \$3,098,035. By 1875 they had increased to \$5,400,290, and in 1890, to \$9,838,495. While this amount seems small when compared with the large production in their own mills, yet it deprives British labor and capital of a market to that extent, which might be held under a moderate protective duty. If these goods which are being purchased were being made in England, it would certainly set in motion the idle machinery which the witnesses have described, and give employment to many laborers who are working on short time. While imports have been increasing the exports of their domestic productions have declined from \$307,558,500 in 1872-3-4, to \$297,641,943, or 3.3 per cent in 1890-1-2. The exports of domestic yarn during the same period declined from \$78,517,151 to \$55,353,343. Notwithstanding this decline the United Kingdom is still the greatest cotton manufacturing country on the globe. Yet the indications are that it has

already reached its highest point. Its progress has not only been arrested, but it is tending toward decay. The growth of the cotton industry throughout the world shows that there is no prospect of British manufacturers regaining their lost markets in Europe and the United States. The annual consumption of raw cotton in Great Britain, the Continent of Europe, and the United States respectively, from 1841 to 1889, as shown by Thomas Ellerson's annual circular, was as follows:

AVERAGE PER ANNUM IN MILLIONS OF POUNDS.

Comparative increase of British consumption of raw cotton.

	1841-45	1851-55	1856-60	1861-65	1866-70	1871-75	1876-80	1881-85	1886-89
Great Britain, ...	521.3	750.1	947.3	628.6	973.8	1228.6	1254.7	1441.1	1508.7
Continent of Europe, ...	267.2	451.4	627.4	455.4	653.4	856.6	1026.7	1314.9	1510.1
United States, ...	152.5	281.4	358.8	181.2	381.9	524.7	685.8	856.7	904.4
Total, ...	941.0	1482.9	1933.5	1265.2	2009.1	2609.9	2967.2	3615.7	4013.2

Great Britain (increased) from 1841-45 to 1886-89, 189.1 per cent.

Continent of Europe " " " " " 465.1 "

United States " " " " " 493 "

INCREASE FROM 1856 to 1889.

Great Britain, ... 59.3 per cent.

Continent of Europe, ... 140.7 "

United States, ... 152.1 "

The following very complete analysis of the cotton trade of Great Britain is taken from the Fair Trade Journal, Vol. vi, pages 189-90, January 23, 1891.

THE COTTON TRADE.

A STATISTICAL ANALYSIS OF THE BOARD OF TRADE RETURNS.

BY SISBON S. RIGG.

I take the following figures for the last twenty years, 1870-89, from my compiled table of each year, taken separately and balanced to the yard and pound:

The total quantities of cotton manufactured goods exported from the United Kingdom to the foreign countries in millions of yards.

Analysis of cotton trade.

TO EUROPE AND THE UNITED STATES.

	1870-74.	1885-89.	Inc.	1885-89 over 1870-74.	Dec.
Germany, ...	342	194	. .		148
France, ...	451	177	. .		274
Portugal, ...	344	333	. .		11
Spain, ...	72	53	. .		19
Austria, ...	74	31	. .		43
United States, ...	581	224	. .		357
Holland, ...	202	214	12		. .
Belgium, ...	53	297	244		. .
Italy, ...	356	407	51		. .
Greece, ...	151	165	14		. .
	<u>2626</u>	<u>2095</u>	<u>321</u>		<u>852</u>

*Analysis
of Cotton
Trade.*

TO AFRICA AND TURKEY.

	1870-74.	1885-89.	Inc.	1885-89 over 1870-74.	Dec.
Turkey, ...	1295	1529	234		..
Egypt, ...	1271	675			596
Morocco, ...	73	171	98		..
West Coast of Africa, ...	105	212	107		..
	<u>2744</u>	<u>2587</u>	<u>439</u>		<u>596</u>

TO ASIA.

Java, ...	150	462	312	..
Philippine Isles, ...	73	304	231	..
China, ...	1473	1916	443	..
Japan, ...	141	305	164	..
	<u>1837</u>	<u>2987</u>	<u>1150</u>	..

TO AMERICA.

Foreign West Indies, ...	398	447	49	..
Mexico, ...	165	178	13	..
United States of Colombia, .	479	257	..	222
Venezuela, ...	69	149	80	..
Peru, ...	154	138	.	16
Chili, ...	306	306	..	..
Brazil, ...	830	1039	209	..
Uruguay, ...	96	176	80	..
Argentine Republic, ...	245	450	205	..
	<u>2742</u>	<u>3140</u>	<u>636</u>	<u>238</u>

TO COUNTRIES NOT FULLY DETAILED.

	1870-72.	1885-89.		
Russia, ...	5	6	..	..
Norway and Sweden, . . . (d)	55	56	..	..
Denmark, ... (a)	11	59	..	..
Bulgaria, ...		12	..	..
Roumania, ...	75 (d)	119	..	..
Tunis, ... (a)	4 (b)	24	..	..
Algeria, ...		78 (c)	..	..
East Africa, ... (a)	6	34	..	..
Madagascar, ... (d)		17	..	..
Persia, ... (b)	3 (d)	69	..	..
Dutch Possessions in India,		56	..	..
Central America, ... (d)	27	235	..	..
Ecuador, ...		66 (d)	..	..
Pacific Isles, ...	2		..	..
Other countries not detailed, .	153	19	..	..

Decimals of the above Millions:

²⁰	²²	
361	872	511
<u>10,310</u>	<u>11,681</u>	<u>1,371</u>

(a) signifies one year, (b) two years, (c) three years and (d) four years.

TO BRITISH POSSESSIONS.

	1870-74.	1885-89.	Inc.	1885-89 over 1870-74. Dec.
Gibraltar, ...	148	63	. .	85
Malta, ...	95	101	6	. .
West Africa, ...	135	183	48	. .
South Africa, ...	99	148	50	. .
Mauritius, ...	54	26	. .	28
Bombay and Scinde, ...	1118	3608	2490	. .
Madras, ...	195	660	465	. .
Bengal and Burmah, ...	3359	5362	2003	. .
Straits Settlements, ...	462	638	176	. .
Ceylon, ...	165	72	. .	93
Hong Kong, ...	536	665	129	. .
Australasia, ...	200	532	332	. .
North America, ...	215	159	. .	56
West India Islands, ...	201	242	41	. .
Aden, Honduras, not detailed fully, decimals of above, ...	20	27	7	. .
	<u>7,002</u>	<u>12,487</u>	<u>5,747</u>	<u>262</u>
Total, ...	17,312	24,168	6,856	

*Analysis
of cotton
trade.*

The total quantities of cotton yarn exported from the United Kingdom to foreign countries in millions of pounds:

EUROPE.

	1870-74.	1885-89.	Inc.	Dec.
Russia, ...	16	11	. .	5
Germany, ...	194	172	. .	22
Holland, ...	214	201	. .	13
Italy, ...	93	42	. .	51
Austria, ...	16	13	. .	3
Sweden and Norway, ...	14	22	8	. .
Denmark, ...	14	23	9	. .
Belgium, ...	9	70	61	. .
France, ...	26	63	37	. .
	<u>596</u>	<u>617</u>	<u>115</u>	<u>94</u>
Turkey, ...	86	101	15	. .
Roumania, ...	18	37	19	. .
Egypt, ...	35	20	. .	15
China, ...	4	24	20	. .
Japan, ...	46	106	60	. .
Not detailed, ...	18	52	34	. .
	<u>207</u>	<u>340</u>	<u>148</u>	<u>15</u>

Analysis
of Cotton
Trade.

TO BRITISH POSSESSIONS.

	1870-74.	1885-89.	Inc.	Dec.
British India, ...	132	336	104	. .
Straits Settlements, ...	11	14	3	. .
Hong Kong, ...	49	44	.	5
Not detailed, ...	32	8	. .	24
	<u>224</u>	<u>302</u>	<u>107</u>	<u>29</u>
Total, ...	1027	1259	232	

VALUE OF OUR TOTAL COTTON MANUFACTURES EXPORTED IN MILLIONS.

	1870-74.	1885-89.	Quantities of 1885-89 at 1870-74 Value.
Yards, ...	£277	£254	£386
Pounds, ...	76	58	93
Thread, hosiery, lace, etc., ...	21	37	. .
	<u>£374</u>	<u>£349</u>	

AVERAGE PRICE PER YARD.

Plain, ...	3.41d.	2.26d.
Printed and dyed, ...	4.77d.	3.17d.
Difference, ...	1.36d.	0.91d.

The value of cloth exported 1885-89 over 1870-74 shows a decrease of 51 per cent.

Statistics relative to our home trade in cotton goods are very meagre, but one-sixth or one-fifth part of our export trade may be somewhere about the amount. I should think the increased trade between 1870-89 will be fully equal to, or more than, our increase of population, thirty-one to thirty-eight millions, 22½ per cent.

The number of cotton factories, etc., in the United Kingdom are given thus:

	No. of Cotton Factories.	Spinning only Spindles.	Looms.	Persons Employed.
1870	2,483	33,995,221	440,676	450,087
1885 ¹	2,635	40,120,451	550,955	504,069

Our total consumption of raw cotton, in all kinds, in millions of pounds:

	1870-74.	1875-79.	1880-84.	1885-89.
Net import of raw cotton, 6268 lbs.	6174 lbs.	7379 lbs.	7352 lbs.	

The distribution of American cotton, from the Cotton Brokers' Annual Statement, September 23, 1890:

	United Kingdom.	France.	North Europe.	United States.	Other Countries.
1870-75—Bales, .	1,897	261	393	1,183	113
1885-90—“ .	2,835	436	1,004	2,258	344
Increase per cent,	49.4	67.0	155.4	92.5	204.4

¹ Last year given in 1889 abstract.

From Messrs. Ellison's Annual Review of the Cotton Trade, I take consumption of every kind of raw cotton, yearly average in millions:

	United Kingdom.	Continent.	United States.	Total.
1871-75 . . lbs.	1,229	856	524	2,609
1881-84 . . lbs.	1,489	1,320	881	3,690
Increase per cent,	21.2	54.2	68.7	41.4

The Board of Trade returns give:

Cotton consumed in India in million pounds: 1880, 84.8 lbs.; 1890, 392.0 lbs.; increased per cent, 362.2.

Export quantities of English and Indian yarn compared in million pounds:

Export of English yarn to all countries and British possessions: 1880, 215 lbs.; 1890, 252 lbs.; increase per cent, 17.2.

Export of Indian yarn to Hong Kong, China, and Japan: 1880, 25 lbs.; 1888, 113 lbs.; increase per cent, 352.0.

The following will show that Germany, as a competitor in textile goods, is not far behind, and that her progress is vastly more rapid:

GERMAN TEXTILE EXPORTS.

	Quantities.		Value.
	1887.	1888.	1888.
Cotton yarns, 100 kilogrammes, ...	91,500	64,067 marks.	17,442,000
Cotton cloth, 100 kilogrammes, ...	108,000	289,242 "	186,348,000
Woolen yarn, 100 kilogrammes, ...	41,400	68,813 "	42,847,000
Woolen cloth, 100 kilogrammes, ...	169,300	233,064 "	189,748,000
Silk cloth, 100 kilogrammes, ...	16,500	66,271 "	183,436,000
Total, ...			619,821,000
Mark equal to 1s., ...			£30,991,050

British manufacture of woolen and silk together exported to foreign countries and our possessions, amounted in 1877, to £27,500,000, in 1889, to £24,500,000, while our imports of the same amounted to £24,500,000, while Germany imports £5,000,000, of which £4,500,000 is for yarn. Thus we have Germany importing £500,000 to our import of £21,500,000 of manufacture in its finished state. Which mills, under these circumstances, theirs or ours, are likely to pay best, and in which will most employment be found for the work people?

The above cotton analysis shows that in spite of the increased population and increased individual requirements throughout the world, the effect of the foreign tariffs of Europe and of the United States upon our cotton trade with them has caused it steadily to go downwards, and if it had not been for our trade to the East, the cotton trade of this country would have most seriously declined. It shows the misjudgment and complete failure of Cobden and his dreams, that instead of free trade or exchange trade with these countries we to-day buy from the Continent and United States some sixty million pounds of competing manufactures (twenty-nine million pounds textile) and eighty million pounds of competing produce, while on the other hand they dole out to us the very smallest pittance of their trade, and none if they could possibly help it. Could a more suicidal policy on our part have ever been invented? If it were a fact that our free "competing" imports enabled us to produce cheaper, how is it, in

A "suicidal policy."

spite of our trade in the East, that our proportion of the consumption of the world's cotton crops is so rapidly declining? I am told on the very best authority that while one-third of the mill machinery we make in this country was formerly for abroad, to-day it is two-thirds for abroad.

Regarding our textile trade with the United States and the Continent, with their high tariffs, longer hours, and the Continental cheap labor, no permanent good and full justice will be done until tariff is met by tariff of exactly the same amount. In the meantime the best we can do is to "commercially" federate our Empire. India, with its population of two hundred and sixty-three millions, takes an import from us of thirty-one million pounds, while Australia, with three and three-quarter millions, takes twenty-three million pounds. I feel sure it could not enhance prices except by its prosperous results; but all efforts in this direction, unless accompanied with the commercial aspect, are comparatively useless to our textiles. See the above cotton analysis. Australasia has increased her takings from two hundred million yards to five hundred and thirty-two million yards; while North America has declined from two hundred and fifteen to one hundred and twenty-nine millions (five years' period).

Sir Lyon Playfair, in defence of our present system, has lately said to his league constituents respecting the McKinley Tariff Bill:

If they be right in principle and successful in practice, the whole commercial policy of this country is founded on a gigantic error, and must lead to our ruin as an industrial nation.

I mention that he was never nearer the truth than when he said this, especially when we find that statistics, analyzed, from whatever point you take them, show our present policy to be so completely disastrous to our country. Has this country, or to be more correct, has the Cobden Club all the wisdom, and the United States, and the rest of the whole world put together none?

The depression in the cotton trade of Great Britain, as disclosed by the Royal Commission in 1885 and 1886, has continued until the present time. On August 30, 1889, the Fair Trade Journal published the following stubborn facts with regard to the industry.

STOPPAGE OF MACHINERY AT BLACKBURN—2500 OPERATIVES IDLE.

The serious depression in the cotton trade was made further manifest yesterday, when another series of temporary stoppage of spindles and looms, even more numerous than those recorded a week ago, took place at Blackburn. Messrs. Thomas Dugdale Brothers' two mills, one at Witton and the other at Livesey, and the Primrose and Waterfall Mills, run by Messrs. John Fish, Limited, all suspended operations for a time, in consequence of the depression. The first-named firm, Messrs. Dugdale Brothers, have altogether 86,000 spindles and 1600 looms idle, whilst Messrs. John Fish, Limited, have 74,968 spindles and 1760 looms stopped, making a total at these four mills alone of 150,968 spindles and 3360 looms. In addition to these, many other firms have looms and spindles stopped, though to a much smaller degree, and yesterday our Blackburn correspondent was officially informed that in Blackburn alone there are, at the present time, no fewer than 8000 looms standing inactive, and that in the weaving branch of the cotton trade, without reckoning the spinning, there is the large number of 2500 weavers out of employment. As regards the spinning branch of the trade, the number of spindles stopped in the town is computed at not far short of 200,000.¹

¹ Fair Trade Journal, Vol. IV, p. 609.

The shutting down of cotton mills.

Again on September 4, 1891, the Fair Trade Journal, after an account of the losses sustained by those joint stock companies, which made reports upon their condition, said :

From which statement may be summarized that the nine companies show a loss of £14,395 during the past three months, as against a profit of £1802 ; or a net loss of £12,593 on the whole. Or, again, taking the first six companies—concerning which alone the whole of the particulars are given—we have the result that the working of 250,496 twist spindles and 324,582 weft spindles, together with the plant capital of £429,876 eventuated in the net loss, during a brief three months, of £9328. So much for the “companies.” Private firms are, of course, under no obligation to publish their returns ; but we are assured by those who know, that the results would be much the same.—*Watch Cotton !*¹

The foregoing most reliable information with reference to the leading industry of the United Kingdom, certainly makes a poor showing for free trade. While cotton manufacturing is flourishing and increasing in every locality where it is given the stimulus of a protective tariff, it is declining under free trade in England. This industry was stronger and more fitted to survive the competition of free trade than any other. The evidences of decline which we find existing during the past twenty years, are therefore more significant. Apart from the question of the effect which free imports are having on this industry, the tendency throughout the world of nations to build up home industries, give employment to their own labor and capital and provide themselves with clothing, makes it more necessary than ever that the people of the United States preserve their home market. The delusion of free traders that the people of the United States can at once capture the markets of the world, which are a subject of warfare among the strong and powerful contestants of Europe, is fully exposed by the facts which have been stated. If the cotton manufacturers of England, with their long experience, economy of production, advantages in fuel, means of transportation, efficient machinery and cheap labor, can be driven to the wall and suffer as they are suffering, from the excessive competition which is being carried on, how then can the people of the United States, who pay high wages, hope to survive such a contest even at home, to say nothing of winning a share of the markets of the world. It is a fact well known to English cotton manufacturers, that as long as the United States pays higher wages than are paid in England, it will be absolutely powerless to maintain itself under low ad valorem duties, much less under free trade. Isaac Watts, chairman of the Cotton Manufacturing Association of Manchester, states in his article on cotton, in the “Encyclopædia Britannica,” “That if America be thought to possess any superiority over England in the great facility and cheapness with which the raw material may be provided, such advantage is more than counterbalanced in other respects and especially as regards labor.”

Significance of the above facts.

¹ Fair Trade Journal, Vol. VI, p. 566.

WOOLEN INDUSTRY.

"The staple manufactures of Bradford and the district have of late years fallen off. Some of the old staple manufacturers have lost their heart and died off."—*Evidence of Henry Mitchell.*

The woollen industry of Great Britain was the first to receive protection when Edward III. invited to England John Kemp and his weavers and dyers from Holland. From that time on, gradually, but steadily, the industry grew and thrived under the patronage of the government, until it held the first place among English manufactures. By the extensive use of cotton fabrics, following the invention of machinery, it gradually dropped to the second place; but its progress was steady and continuous until after the adoption of free trade. All through the protective period it was vigorous and flourishing. It is a significant fact that since it has been subjected to aggressive foreign competition under the free trade policy, the most alarming complaints have filled the country as to its fate in the future. Notwithstanding the superior advantages in the way of machinery, abundant capital, long experience and low wages, the official returns of the Board of Trade disclose some very significant external facts which have a direct bearing upon its present condition. In 1846, when protective duties were repealed and it was exposed to competing imports, the supremacy was such that the total imports of woollen manufactures into England for home consumption were only \$1,327,250. By 1860 they had reached \$5,910,415. It was between this time and 1875 that imports began to be felt in the home market. They had reached \$20,440,675 in 1875, and \$38,980,755 in 1890, an increase of 90.7 per cent in fifteen years. It is a most astonishing fact that the English people are paying the Continent this vast sum of money to support foreign labor, when, were it not for free trade, every dollar paid for these goods might be retained in England to furnish employment for a large number of those who now depend upon public charity. It is surprising that while imports have been so increasing, the exports of domestic productions have declined from \$134,223,504 in 1872-3-4, to \$94,619,550 in 1890-1-2, or 29.5 per cent. The English people consume at home woollen goods made in foreign countries of nearly one-half the value of those which they export.

The imports into England of fully manufactured goods for home consumption increased from \$5,910,415 in 1860, to \$38,980,755 in 1890, an increase of 559.5 per cent, while during the same time the exports of woollen goods made in English factories increased from \$60,749,569 in 1860-1-2, to \$94,619,550 in 1890-1-2, or only 55.7 per cent. Another quarter of a century of this kind of progress under free trade will place the woollen industry in the same position as the silk industry and agricultural interests of the country.

Exports
and
imports.

While the imports of woolen and worsted yarn for use in home factories increased from \$2,351,400 in 1860, to \$8,577,470 in 1890, or 264 per cent, the exports of these domestic yarns declined from \$28,436,985 in 1872-3-4, to \$20,094,812 in 1890-1-2, or 28 per cent.

The increase in the number of woolen, worsted and shoddy factories, during a period of sixteen years, and of the number of persons employed in these industries during the same time, was as follows: Factories in 1874, 2617; in 1890, 2671, an increase of only 54. The persons employed in 1874 were 280,133; in 1890, 301,556, an increase of 21,423.¹

The evidence given before the Royal Commission on Depression of Trade and Industry discloses the condition under which this industry is being carried on. The following is taken from the evidence of an experienced manufacturer of Bradford:

Henry Mitchell, for twenty years member of the Chamber of Commerce of Bradford, said:

There has generally been a falling off in trade with foreign countries. The greatest falling off has been in the case of Germany. Germany formerly took from us at least £3,000,000 a year in stuff goods, and at the present time it is not £300,000. In stuff goods it is not more than one-tenth of what it was at the period to which I have referred (between 1870 and 1875). Although there has been a very large decline in exports of manufactured goods to Germany, there has been a very large increase in exports of yarn and semi-raw materials to that country. Germany has been very largely increasing their own production. They now supply their own consumption almost exclusively, and they are also becoming rather severe competitors with us in some of the neutral markets; especially in the United States of America and in South America, and to some extent in the British Colonies.

*Falling off
in the
woolen
industry
since 1875.*

It is worthy of note that between 1870 and 1875, Germany had returned to free trade, and imports largely increased, to the great detriment of their home industries and that in 1879 the policy of protection was restored, with the result stated by the witness.

The United States are very large customers of ours. Going back to thirteen years ago there has been a decline in the export of worsted stuffs proper from over £3,091,000 to £1,000,000; that is to say, we are only sending at the present time about one-third of the amount we sent twelve or thirteen years ago. The value of it has been considerably reduced, but the quantity, I should think, would be about one-half; the value about one-third.

During the last twenty years trade has varied. We had a very high state of prosperity in our district, during the American war, of course, for exceptional causes, which continued until 1865. Then during the Franco-German war, we had also a very high state of prosperity, and our manufacturers, as a rule, were making large profits. I should say that business continued to be fairly profitable until 1874 or 1875, since then there has been a very heavy loss in some branches of industry, and the value of all kinds of property has very seriously declined, I should say, at least one-third since 1875. There has been an enormous increase in those industries in several countries. In France there has certainly been a very large increase, in Germany probably a still larger increase, and in the United States of America an enormous increase, during the last ten or twelve years.

¹ The Financial Reform Almanac for 1894, p. 118.

Wages.

Q. Have you any theory to explain that, or any facts by which you can explain it? A. With regard to the United States of America of course, the principal cause is the high tariff.

The rate of wages (in England), I should say, is about 10 per cent, lower than it was in 1875. As compared with ten years before that, they are not much changed. In the amount of capital invested, the number of mills and establishments for carrying on business in the staple industries, there has been considerable falling off. The rate of profits on all our staple goods has been very small indeed, and in many instances, very serious losses have been sustained.¹

The foregoing admission that wages in this industry were reduced about 10 per cent, between 1875 and 1885 to the level of 1864, becomes more significant from the fact, that the wages which prevailed even in 1875 were almost to a starvation point, and more than 50 per cent below the wages paid in the United States. The wages of persons employed in this industry, as disclosed by a report made by Mr. Robert Giffen, Statistician of the Board of Trade, to the Commission on Labor in 1894, was as follows:

WOOLEN MILLS.

	Annual.	Per Week.
Men, ...	\$292.00	\$5.63
Women, ...	167.00	3.22
Children, ...	100.50	1.93

WORSTED MILLS.

Men, ...	\$294.00	\$5.67
Women, ...	151.00	2.89
Children, ...	80.00	1.57

The above figures given by Mr. Giffen were disputed by the president of the Bradford Labor Union, who stated before the Royal Commission on Labor, that the average wages of this district (Bradford) for weavers was 9s., or \$2.16 per week. The accuracy of this statement was questioned and a committee of well-known citizens appointed to ascertain the real facts. After a painstaking and expensive investigation, they reported that for 1891 the average week's earnings were 13s. 4d. (about \$3.08 per week).²

The foregoing facts show the utter unreliability of estimates and statistics which emanate from such free traders as Mr. Giffen. It is common for free traders to exaggerate the wages paid in England. The element of partial employment is usually left entirely out of their calculations, which make the actual earnings appear much larger than they really are, but in any event, even if it should be conceded that Mr. Giffen's estimate is correct, it presents a wage rate which is a disgrace to any civilized country, and condemns that fiscal policy under which there is no

¹ Royal Commission, Report II., Part I., p. 124.

² Robert P. Porter, in the New York Sunday Press, October 28, 1894.

possibility of an increase, but which as competition becomes more intense, will necessitate still further reductions.

We find the following statement made by Mr. Porter, giving some comparison of the magnitude of this industry, and showing its ability to ruin the woolen industry of the United States under free competition or low tariff duties:

*Magnitude
of British
woolen
industry.*

Here is an interesting comparison between the six States which employ the greatest number of hands in woolen manufacturing and the six West Riding woolen, worsted and shoddy centres which I have visited this week. This should give some idea of the concentration of this industry in England:

ENGLISH TOWNS.		AMERICAN STATES.	
	Total number employed in woolen and worsted industry, 1891.		Total number employed in woolen and worsted industry, 1891.
Bradford, ...	45,216	Pennsylvania, ...	55,354
Leeds, ...	16,767	Massachusetts, ...	43,038
Huddersfield, ...	15,659	New York, ...	37,992
Halifax, ...	14,216	Rhode Island, ...	19,325
Dewsbury (approximately), . . .	10,000	Connecticut, ...	13,047
Batley, "	8,000	New Hampshire, ...	9,400

WHAT WE WOULD COMPETE WITH.

Here we find in six centres, all within a radius of about ten miles, nearly 110,000 persons engaged in these industries, a number exceeding the total number employed in Pennsylvania and Massachusetts combined, or of New York, Rhode Island, Connecticut and New Jersey. And yet we look upon the woolen industry of these States as of considerable importance to the States and the nation at large. Destroy or cripple them and the result would indeed be unhappy. Do the free traders of Massachusetts, for example, know that the number employed in the woolen and worsted industries of this city of Bradford is greater than those similarly employed in the whole State of Massachusetts? It is this concentration of industry in one spot that gives the English a tremendous advantage over the United States. Here we see it again:

1891: West Riding of Yorkshire, total number employed, wool and worsted, 218,202. 1890: The United States, scattered in forty-two States and Territories, total number employed, wool and worsted, 219,132.

Facing the real facts thus, how is it possible for the American manufacturer to begin to compete with the British producer?

Mr. Porter further says:

In a published speech the chairman of the Chamber of Commerce of Huddersfield this week declared that the Honorable William L. Wilson had never heard of Huddersfield until he had read the speech of Sir Albert Rollit before the Chamber of Commerce of that important centre of cloth manufacture. If this be true, it only illustrates the ignorance of the most intelligent of our tariff reformers in relation of the character and extent of the competition to which they have exposed American labor and industry. Huddersfield is by no means the most important of the English cloth towns, and yet it employs 250 more people in that industry than the State of Connecticut, and within about 350 of the number employed in the State of Rhode Island, the fourth largest woolen manufacturing State of the Union. Should we compare the town of Huddersfield, which Mr. Wilson had never heard of, to his own State

*Wages as
an element
in cost of
production.*

of West Virginia, in the manufacture of woolen, it would appear as follows: Huddersfield, 15,659 hands; West Virginia, 307 hands.

The effect of wages in controlling cost of production and thus strengthening the ability of the manufacturer to compete with rivals, is disclosed in the following extract from the evidence of Mr. Henry Mitchell:

There is no doubt that one reason why the French beat us in those higher classes of goods is that labor forms a very important element in the cost of those goods. As much more work and care are required in every process of the manufacture of them, no doubt they have some advantage in cheaper labor and longer hours of work. The French have so far not been able to compete with us in cheaper kinds of goods for women's wear, nor in men's wool goods. This is shown very clearly in the goods which they export to this country; whilst we are taking about £7,000,000 worth of wool manufacture, mainly from France, they are all high class goods intended for women's wear, with the exception of about £300,000 in men's wear; so that we have, practically, the monopoly of the men's wear goods, and also of the lower priced goods for women's wear.

The staple manufactures of Bradford and the districts have of late years fallen off considerably. Some of the old staple manufacturers have lost their heart and died off. There was not sufficient demand to keep the machinery a-going. In some class of fancy goods, especially, the Germans beat us both in style and cost. I do not think they beat us in ordinary staple goods. It is because the labor is considerably cheaper in Germany and their hours of labor are seventy-two per week, against ours of fifty-six and a quarter, that may be one reason.

Q. Would the same remark apply to the United States? A. No, labor is much higher in the United States. Q. Do they beat us in any article in cost? A. None whatever, and they are never likely to be serious competitors with us.

The opinion of this experienced manufacturer that the United States is never likely "to be a serious competitor" with English manufacturers, so long as the high wage rate prevails, is a confirmation of the contention of protectionists in the United States. It is to be hoped that we shall never be compelled to reduce the wages of our men to \$3.08 a week in order to fight for foreign markets, and to defend ourselves against an inundation of goods from the Bradford district. Yet, it is absolutely certain that this would be necessary under the system of free imports in order that American factories might exist.

*Effect of
foreign
protective
legislation.*

The following extract from the testimony of the same witness, especially upon the effect of the reduction of duties on woolen goods by the United States Congress in 1883, shows how favorable a slight modification in this tariff became to the English manufacturer.

Q. You have spoken again of the power of competition of France and Germany; has that, in your opinion, been diminished by their tariff system during the last eight or ten years? A. The competition in neutral markets has considerably increased during the last few years. Q. The way in which the United States has affected the Bradford manufactures, has been by excluding our productions from their own immense market? A. That is so. Q. Is that exclusion, in your opinion, an increasing exclusion? A. The duties have been slightly reduced during the last few years, and the result of that reduction has been a considerable increase in our business with America. It is

not a large reduction, it is about 10 or 15 per cent, and they have also reduced the duty on yarns, which has led to a very considerable increase on imported yarns.¹

The reduction in duties in the United States referred to by the witness was by the revision of the tariff which took place in 1883, which resulted in increased importations, especially of woollen goods, into the United States, and seriously crippled this branch of industry. The importations continued to increase until they were checked by the higher duties imposed by the McKinley bill in 1890. They were \$35,776,559 in 1885, as appears from the Statistical Abstract of the United States, for 1894, \$52,564,942 in 1889, and at the close of the fiscal year, June 30, 1890, they reached \$56,582,432. The McKinley bill took effect October 1, 1890. By June 30, 1891, the imports of these articles dropped to \$41,060,080, and to \$35,565,879 by June 30, 1892, in the short space of two years saving to the laborers and manufacturers of the United States \$21,016,553, which would otherwise have gone into the pockets of foreigners. Between the passage of the McKinley bill and October 6, 1892, twenty-six woollen mills were constructed in the United States, which exceeded one-half the number which had been built in England during the sixteen years prior to 1890. The results of this measure will be treated more fully in a later chapter.

Mr. Henry Mitchell further said:

In spinning merino wool the French are, to a considerable extent, using English-made inventions. I believe that England is superior to any country in our textile machinery. Q. As there seems to be no difficulty in spinning this material in England, into which country it is imported and re-exported into France, we have not yet reached the root of the matter, namely, the reason why the English, who are in possession of the best machinery and the best basis of trade as regards the raw material, have not hitherto been equally successful with the French in the spinning of this Colonial wool? A. I can only give the reason which I have already stated; in the first place, that in France they have some advantage in their cheap labor, which forms a very large element in the cost of these goods, and they also have an advantage in the longer hours, and the long experience which they have had in the manufacture of these goods, and also in the very careful way in which they manipulate them and dye them and finish them.

Q. Can you conceive it possible, judging from what you have already mentioned with regard to the Bradford spinning trade, that any sane man would invest £100,000 in a spinning mill to compete with a neighbor nearer the London market than himself, who was allowed to work seventy-two hours a week, whilst he was restricted to fifty-six and one-half hours? A. Under present conditions, I should say that he certainly would not do it.

LINEN INDUSTRY.

The linen industry of the United Kingdom is also engaged in a life-and-death struggle. In 1860-1-2 their exports of linen manufactures amounted to \$22,985,099. The sales to foreign countries increased and reached \$37,746,907 in 1872-3-4. By this time the industry had seen its best days. Exports began to decline and were reduced to \$26,513,777 in 1890-1-2, a

Competition injurious despite the superiority of British textile machinery.

¹ Royal Commission, Report II, Part I, p. 130.

decline of 29.8 per cent from 1872-3-4. Up to 1875 the domestic manufactures held such absolute supremacy at home that imports of these fabrics amounted only to \$837,260. Imports continued to increase until 1890, when they amounted to \$2,162,780, an increase of 158 per cent in fifteen years. Fifteen or twenty years more of the same ratio of decline in exports and increase of imports will bring the linen industry of England to a deplorable condition. Free trade has, then, resulted in arresting further expansion of this industry and sent it on the downward road of cheapness. The economic conditions under which this industry is struggling for existence, and proving its right to live, are set forth in the following evidence of two most competent manufacturers given before the commission referred to. Mr. R. H. Reade, manager and director of the York Street Flax Spinning Company, Belfast, said:

*Exports
and
imports.*

The linen trade and industry of Belfast is in an unsatisfactory condition as regards the profits of capital. I will show you what the value of our linen trade has been. France and Germany have interfered very much with our yarns and weaving trade. Of the Continental exports against Colonial exports, and what the trade has been in neutral markets, taking the United States as an example. Our Colonial exports of linen in 1870 were £405,000; in 1884 they were £663,000, or an increase of 65 per cent. Our other foreign exports were, in 1870, £6,842,000, and in 1884 they were £4,516,000, or a decrease of 33 per cent. These are values I am speaking of altogether; so, of course, as a matter of fact, the quantity of our Colonial exports has increased in a higher ratio, while the volume in our other foreign exports has diminished in a lower ratio than that percentage; probably 20 per cent is to be allowed for that. Our Continental imports of both yarns and linens in 1870 were only £189,000; they, however, rose in 1871 to £446,000, and in 1884 the value was £537,000. Although the values have diminished, that would show an increase upon the values of 1870 of 200 per cent. Our total exports to the Continent, of yarns and linens in 1870, were £1,691,000—that is, to the Continental countries which we consider competing countries, such as Belgium, France and Germany; Russia is also to some extent a competing country. Our total exports in 1870 to those four countries were £1,691,000, and in 1884 they were £1,194,000, or a decrease of 30 per cent. Now, dealing with neutral markets, I am taking the United States of America for example; in the year 1870 the imports into the United States of America of British linens, including the Irish, were £3,100,000. In 1884, they were £2,699,000, a falling off of 12½ per cent in value. Now in 1870 the imports into the United States from Germany, Belgium, Austria, France and Russia amounted to £121,000, and in 1884 it was £680,000, showing an increase of five and a half times. It is accounted for to some small extent by the superiority of their designs. There are certain fabrics into which colors can be introduced, in which I think the Continental people have surpassed us, but the extent of that particular branch of the linen trade is not large. I attribute their success as competitors with us mainly to their being able to produce more cheaply than we can. They have the raw material at their doors in Belgium, Germany and Austria. They grow as much flax there as they use, or nearly as much flax as they use; they have got cheaper labor and they have longer hours. They can produce the lower class of goods more cheaply than we can, but in the finer goods we are more skilled, and we have some special advantages in the way of bleaching which they do not possess, which give us the advantage of bleached linen, shirtings, table linens and handkerchiefs; if they are wanted to be pure white.¹

¹ Royal Commission, Report II, Part I., p. 260.

Mr. Richardson, president of the Chamber of Commerce in Belfast, and also member of the House of Richardson Bros., in Belfast, said :

A steady decrease of exports.

In 1871 there were 866,000 spindles in Ireland; in 1885 there were the same number; in 1871 in England there were 269,000; in 1885 there were 117,000 in England; in 1871 there were 317,000 in Scotland; and in 1885 there were 220,000 in Scotland. In 1861 there were 344,000 spindles in England, 279,000 in Scotland, and 593,000 in Ireland.

In 1860 the number of spindles in France was 500,000, and in 1878, which is the last year I have been able to get, they had the same number, namely, 500,000. As regards Germany, there were 138,000 in 1862, and 318,000 in 1877, the last year that we have. And it is very likely they have doubled since that time. Now Austria and Hungary in 1862 had 150,000 spindles, and in 1882 they had 488,000. That shows that in those countries there was a very considerable increase in the number of spindles, and we presume they are supplying their own wants. They are competing with us in neutral markets.

The linen manufacturer openly disposes of his goods to a merchant, who also buys from foreign countries, and so practically controls the price paid for the goods. He would buy in the cheapest market. American buyers of linen now regularly visit Belgium, Germany and Austria, as well as Scotland and Ireland, for the purpose of making their purchases.

We export yarns to Germany, Spain, Italy, Holland, Belgium and France. To Germany, in the five years from 1865 to 1870, we exported to the value of £3,672,000. In the next five years we exported to the value of £3,063,000, showing a decrease of 17 per cent. In the five years from 1875 to 1880, we exported £1,278,000, showing a decrease of 59 per cent. In the five years from 1880 to 1885, the amount was £1,110,000, showing a decrease of 13 per cent. To Spain we exported in the five years from 1865 to 1870, £3,243,000. In the five years from 1870 to 1875, £3,037,000, showing a decrease of 6 per cent. In the five years from 1875 to 1880, £1,956,000, showing a decrease of 36 per cent. In the five years from 1880 to 1885, £1,350,000, showing a decrease of 31 per cent. To Italy we exported in the five years from 1865 to 1870, £952,000. In the five years from 1870 to 1875, £466,000, showing a decrease of 51 per cent. In the five years from 1875 to 1880, £267,000, showing a decrease of 47 per cent. In the five years from 1880 to 1885, £157,000, showing a decrease of 41 per cent. To Holland we exported in the five years from 1865 to 1870, £1,110,000. In the five years from 1870 to 1875, £1,237,000, showing an increase of 11 per cent. In the five years from 1875 to 1880, £749,000, showing a decrease of 40 per cent, and in the five years from 1880 to 1885, £567,000, showing a decrease of 25 per cent. To Belgium we exported in the five years from 1865 to 1870 £704,000. In the five years from 1870 to 1875, £688,000, showing a decrease of 4 per cent. In the five years from 1875 to 1880, £604,000, showing a decrease of 12 per cent. In the five years from 1880 to 1885, £756,000, showing an increase of 25 per cent. To France we exported in the five years from 1865 to 1870, £1,200,000. In the five years from 1870 to 1875, £566,000, showing a decrease of 53 per cent. In the five years from 1875 to 1880, £797,000, showing an increase of 41 per cent, and in the five years from 1880 to 1885, £866,000, showing an increase of 9 per cent.¹

In connection with the foregoing evidence it should be noted that the report of the Chamber of Commerce, of Belfast, states that "the present rate of wages is slightly below the average of the last twenty years." From another linen manufacturer comes a similar report. The Chamber

Further evidence of the decline of the linen industry.

¹ Royal Commission, Report II, Part I, p. 260.

of Commerce of Dundee, stated in its answers to questions submitted by the Royal Commission that, "the rate of wages is at present lower than it has been for the past ten or twelve years, and also slightly lower than the average of the past twenty years. This is general. It applies to both skilled and unskilled labor." The Linen Merchants' Association of Belfast, also stated in their report to the Royal Commission that wages are slightly below the average of the last twenty years. It is perfectly apparent that it was only by a reduction of wages to the level of 1864 that English and Irish manufacturers have been able to maintain themselves in the home market and to prevent being to a greater extent driven out of the markets of the world. A reduction of wages is the inevitable and necessary result of ruinous competition. The effort to make cheap goods, the effort to hold markets to which the English manufacturers have been subjected during the last twenty years, has destroyed profits and brought about a condition from which it will be impossible for the English manufacturers to extricate themselves, so long as their home market is thrown open as a prize to be contested for by rivals.

It is a fact worthy of consideration that while this industry is expanding and improving in every country where it is given the security of a protective tariff, that it is declining under free trade in England. The following extracts from eminent authorities are worthy of careful consideration by the linen manufacturers of the United States, and those countries which are practicing the policy of protection:

Mulhall—"During the last twenty years of this century the linen industry of Germany has increased 300 per cent."

Nineteenth Century, June, 1883—"During the last twenty years the linen industry of Great Britain has decreased 18 per cent."

British Statistical Abstract, 1882—"During the last ten years the exports of linen yarn from England have decreased steadily every year, until they are less than half what they were a decade ago."

Nineteenth Century—"The shares of the leading flax mills in Germany are 20 and 22 per cent above par. The shares of the ten principal flax mills in Belfast are 58 per cent below par."¹

JUTE INDUSTRY.

Up to recent years British and Scotch manufacturers held a monopoly of the jute trade. The building of the mills in India, Germany, Austria and Italy, has brought into the market of the world, such strong rivals that the trade has been completely revolutionized. The following evidence of jute manufacturers discloses a condition which ought to satisfy American manufacturers that their own home market, as long as it can be preserved by protective tariffs, is more desirable than any share of foreign trade, which they might obtain by accepting the invitation of free traders,

*Jute
Industry.*

¹ Fair Trade Journal, Vol. III, p. 63.

to adopt the policy of free imports. It is perfectly apparent that a removal of duties, or even a reduction to a low ad valorem rate would result in the closing of every jute mill in the United States and an absolute surrender of the United States market to aliens.

Mr. Julius Weinburg, of the Dundee Chamber of Commerce, jute manufacturer, said:

The jute trade has been in an unsatisfactory condition for three or four years. I attribute that condition to more mills being erected, both in India and on the Continent of Europe, in addition to those already existing in Dundee. The production is larger than there is a demand for. Formerly jute was manufactured into what is called gunny cloth in India, which is used entirely for Indian consumption. It remained in that way until the opening of the Suez Canal in 1869. Before that time nobody in India thought that jute goods could be sent elsewhere, because they would have to go around the Cape. In the year 1873 there were four mills existing in India, altogether, and they sold their productions at home. Now there are twenty mills in India, having an aggregate of 8000 looms, and 150,000 spindles. Those mills not only produce what is wanted in India, but they have entirely taken away some of the most important markets we formerly had in Dundee, such as Australia, the Cape of Good Hope for wool packs, and also San Francisco for grain bags. They have not only done that, but they have also sent large quantities of goods to neutral markets, even to the west coast of South America, Valparaiso, for instance, and they have also of late years, sent large quantities to America, which hitherto was the most important market we had in Dundee. In fact, the United States took about 50 per cent of all that was produced in Dundee.

Low wages.

Wages are a great deal cheaper in India than they are in Dundee; in fact a spinner in Calcutta makes less than half what a spinner does here. He earns 3s. 9d. (93 cents) a week of fifty-four hours, whereas in Dundee we pay from 8s. to 10s. (\$2.00 to \$2.50) a week of fifty-six hours. That is one reason of the bad state of Dundee trade.

Ninety-three cents a week in Calcutta and from two dollars to two dollars and fifty cents a week in Dundee! This is the wage rate with which free trade would compel American labor to compete. Do American farmers desire to ship their grain in bags made by labor receiving such pay? What a market for American beef and pork such laborers would furnish! The family of one American artisan affords a better market to our farmers than a whole community of such laborers could possibly give. Dundee laborers could scarcely afford to eat wheat at ten cents a bushel. Do the American farmers desire to depend on such customers?

The witness continued as follows:

In Germany they have about twenty-three mills going for the manufacture of jute; of those twenty-three mills fourteen were started in the year of 1883; before that time there were only about ten, the first of them being started in 1860. The rates of duty we have already furnished to the commission. In some countries, such as Austria, the duty has been entirely prohibitive; we used to do a very large trade—my own firm did a very large business in Austria, and it can do nothing at all now, the trade being entirely killed. Very nearly is the same with Russia and some other markets, including Italy, all owing to these very heavy duties.¹

Loss of foreign markets.

¹ Royal Commission, Report II., Part I., p. 218.

Mr. Walker, of the Dundee Chamber of Commerce, said:

When the mills first started at Calcutta and began to compete with us they took the heavy trade from us, and we cannot compete with them. We simply altered our machinery so as to make it suitable for the goods we were introducing into Germany and Russia. Germany was the best market we had, with the exception of America; and after going on in that way for some time those foreign countries began, first of all Italy, and then Germany and Austria, and lastly Russia, to put on very heavy duties. Those duties did not tell at first so adversely, because they had to put up their works to produce the goods. My firm used to send out between 2,000,000 and 3,000,000 yards to Germany alone. Russia was a very large market for us, but in the last two years, since they have built these mills and put on these high duties which, in the case of Germany, equal 27 per cent, and in the case of Russia 112 per cent, my firm have almost entirely lost this trade. In 1882 we exported 47,000,000 yards to Germany; in 1883 that number had decreased to 35,000,000, and in 1884 it had decreased to 27,000,000, while last year it was down to 19,000,000.¹

LACE INDUSTRY.

*Lace
Industry.*

The import of lace goods into the United Kingdom for home consumption was very insignificant in 1860, amounting to only \$277,805, but by 1875 it had increased to \$1,940,030. Since that date it has become quite considerable, amounting to \$4,538,235 in 1890, an increase since 1875 of 134 per cent. While on the other hand, the exports of domestic productions declined from \$13,610,398 in 1881-2-3, to \$10,000,368 in 1890-1-2, or 23 per cent.

The causes which have contributed to this result are free trade in England and protection in other countries. Rival industries have been built up under protection on the Continent, which have grown so strong that they are invading English markets and driving English manufacturers out of the foreign trade. The English people are still clinging to the policy of free trade, and seeing their own industry undermined and ruined.

The evidence of lace manufacturers given before the Royal Commission, contained many pointed facts upon the advantages of protection, showing how the industry has been built up in Germany, employment given to German artisans and a business created which could not have been brought into existence, excepting under the influence of protective tariffs. The following evidence also discloses the reasons why advocates of free trade in the American Congress and elsewhere, attack specific duties with such bitterness. It is a well-known fact that ad valorem duties are favorable to that system of under-valuation and fraud, by which the advantage given by protection is either neutralized or destroyed.

Mr. Frederic Carver, from the Nottingham Chamber of Commerce, said:

*Effect of
foreign
tariffs.*

From 1873 to the beginning of 1879, we suffered in like manner with the rest of the country, in fact I think we were suffering as badly as any place could be, from

¹ Royal Commission, Report II, Part I., p. 219.

the special causes at work to prevent our producing, first, as well as foreign countries, and secondly, as cheaply as foreign countries. The increase of foreign competition can only be shown, I think, or be fairly estimated by the continuous growth in Germany and elsewhere of machinery, which has recently taken place. Prior to 1879, I believe I am justified in saying that there was scarcely a lace machine in Germany whatever. In 1879 a duty was put upon Nottingham manufactured goods of such a character that it at once induced a number of manufacturers in this country, seeing that those duties were almost prohibitory, manufacturers who had difficulties with their workmen especially, to say, "Well, that being the case, this great duty which they now put upon Nottingham manufactured goods offers a great advantage, and therefore I will take at least some portion, if not the whole, of my plant to Germany;" and the consequence is, at the present time we see a number of Nottingham manufacturers, who actually have establishments at Planen, and are making goods which, if it were not for the protective duties that were created for them by Germany, would be made in Nottingham. The German tariff being a specific tariff, that at once shut out what the Nottingham and other English goods, I think, are especially noted for, that is, aiming to make a low class, cheap, and effective article; and we find, unfortunately, *that wherever these specific tariffs exist, they always have the same result.* Unfortunately this process which was initiated in some measure by Austria, has been followed by Germany, and it has been followed by France, and always with the same results, our trade ceasing and our manufacturing decreasing.

The tariff in Germany was neither more nor less than a means to tempt machinery from this side to locate itself in Germany. That attempt has been very successful; and at the present time we find that Germany can not only make all the lace curtains they want, but they are now offering certain goods in this market, and in neutral markets, in competition with English manufacturers. I think the evidence carries conviction with it, that if it were not for the immense advantage that they enjoy in the price of labor, they would never be able to compete successfully with us in this market. Russia is another country with which we have lost a considerable amount of business; that is owing to the same operation.¹

¹ Royal Commission, Report II, Part I, p. 234.

CHAPTER V.

FREE TRADE AND ENGLISH INDUSTRIES—(*Continued*).

METAL INDUSTRIES.

The following quotation throws light on the condition of the metal industries in Great Britain:

An analysis of last year's exports reveals an all round decline, which is very unsatisfactory. Between the years 1880 and 1883 the total exports from Germany increased about 25 per cent, say from 992,000 tons to 1,232,505 tons, which found its way to China, India, the River Platte, United States and Australia. In steel and iron wire this competition has been felt most keenly, for whilst the total exports from England in 1883 were 62,784 tons, those from Germany amounted to 203,627 tons, and in 1882 they were 227,416 tons. For a time the Germans even succeeded in beating our English makers on their own ground. *But this led to such a reduction in wire drawers' wages as rectified this anomaly;* but for exports we are often at a disadvantage when competing with them. The increase of production in Germany will be manifest from the following figures:

	1879.	1880.	1881.	1882.
	Tons.	Tons.	Tons.	Tons.
Production of iron wire, . . .	188,902	222,322	233,422	254,018
Production of steel wire, . . .	4,034	10,800	58,615	124,003

The great extension in steel wire is, no doubt, due to the large development of "Basic" process.

We may anticipate that this competition will increase, and it may be necessary for the English manufacturer most seriously to consider in what way he can meet and overcome it. There is no shutting our eyes to the fact that we are somewhat heavily handicapped in the race. Wages are lower, even after making all fair allowance for the greater efficiency of British labor, but the system of tonnage rates and payment by the piece, in contrast to day labor on the Continent, accounts for a considerable portion of the difference.¹

*Loss of
markets
for British
iron.*

It has come to this, that the British iron and steel manufacturers are reducing wages in order to prevent their home trades from being transferred to Continental countries. It was urged, when free trade was adopted, that under its "stimulating breezes" the natural advantage of having coal and iron lying side by side (fuel and raw material), aided by the genius, ability, wealth and mechanical skill of the English people, the supremacy acquired during so many years of protection would be maintained. A high degree of skill has been met by a high degree of skill. Capital has

¹ Extract from the Annual Metal Circular of Messrs. W. Fallows & Co., of Liverpool, dated Jan. 9, 1895.

been pitted against capital. Coal and iron are found lying side by side in many countries.

Sir Lowthian Bell, president of the Iron Trade Association of Great Britain, said before the Royal Commission:¹

In Germany, France, Luxembourg, new fields of iron ore have been discovered, very analogous in point of character to those which had led to such great development of the iron trade in Cleveland (England) and elsewhere. The whole constitutes an immense deposit of iron stone, which begins in Luxembourg, and, passing through Alsace, enters France, running through about 150 miles in length of the country by a few miles in width.

Q. Why should we not have supplied that which was so wanted abroad? A. We could not supply it and send it to Germany, because in that country they were able to make iron and deliver it at a given point in Germany more cheaply than we could have made it here and deliver it at the same point. In addition to the freight and other charges of transports, there are heavy import duties to pay on entering the German Empire. The same observations made in respect to Germany are also more or less applicable to other European countries.

The monopoly of the British iron-masters is broken. Mr. Bell, speaking further of the reduction of prices and expansion of the industry, said:

There was a considerable increase in the make of iron between 1870 and 1875. I have here the prices of Cleveland iron from 1870 to 1879; this kind of pig iron brought 50s. and 3d. in 1870, 49s. 8d. in 1871, and 1872 79s. 1d. 1872 and 1873 were years that I mentioned before as being exceptionally good ones; in 1873 it was 109s. 2d.; in 1874, 70s. 11d.; in 1875, 54s. and 6d.; in 1876, 47s. and 10d.; in 1877 42s. and 1d.; in 1878, 39s. and 1d., and in 1879, 34s. and 4d. The make of the whole world, as nearly as I have been able to estimate it, was 11,565,000 tons in 1870.

*British
iron in-
dustries,
1870-9.*

The monopoly of the iron trade held by the English masters at this time enabled them to take advantage of conditions, fix prices to suit themselves and reap enormous profits. To be sure, an unusual demand arose at this time from extensive railroad building and other causes, yet no increase in the cost of production occurred excepting a slight advance in wages, yet the profits were very large. The ability of a country holding a monopoly of a trade to take advantage of such conditions and levy a tribute on the buyers of the world, was well understood by the free trade party in 1846, and was the chief cause of their desire to make England the sole manufacturing nation of the world. As competition arose prices declined. Had other countries neglected to build up their industries under protection, England would have continued to "suck in gold, gold, gold," as Mrs. Trollope said. Notwithstanding the constant harping about protection's raising prices, through the rival industries which have been reared under its influence, the consumers of the world are undoubtedly getting cheaper iron than they could ever have hoped for under free trade monopoly.

¹ Second Report Part I. pp. 41-42.

*Growth of
the iron
industry
in foreign
countries.*

Mr. Bell continues :

In the year of 1872, which was the commencement of two or three years of high prices, the make had risen to 14,345,000 tons. After 1879 an extraordinary change became apparent in the volume of make (of the world), for during the ensuing five years the average make was close on 18,000,000 tons, and in one of them, 1883, it rose to 21,663,000 tons, or nearly 50 per cent on what it was in 1879. The make in the United States has increased from 1884, 131 per cent on the make of 1870. That of the rest of the world in 1884 is 237.9 above that year. The production of Great Britain rose between 1870 and 1883 from 5,963,000 tons to 8,529,000 tons, but the foreign quantity rose from 5,602,000 tons to 12,534,000 tons.

The iron industry of the United Kingdom has not only received a set-back in the development of the industry in other countries by the loss of foreign trade, but by maintaining open ports the consumers of England are making large purchases abroad. The increase of imports for home consumption of some of the leading metal manufactures from 1860 to 1890, were as follows:

	1860.	1890.
Arms and Ammunition, ...	\$423,565	\$ 1,372,375
Brass, Bronze, etc., ...	297,160	279,785
Copper, ...	300,810	453,060
Iron and Steel, wrought or manufactured, ...	220,335	13,843,200
Zinc, ...	668,110	2,220,835
Total, ...	\$1,909,980	\$18,189,255

*Decrease
of exports.*

While the imports have been increasing, as disclosed by the foregoing figures, since 1874 the exports of domestic productions have declined. In 1872-3-4 the total exports of iron and steel manufactures were \$143,520,242. During the following twenty years of marvelous development in other countries, as competition increased the exports declined to \$118,908,362 in 1890-1-2, a decrease of 17.1 per cent. It has already been pointed out that from the beginning of railroad building in 1850 to 1874, the British iron-masters supplied the world with the larger portion of materials for their construction. The export of railroad iron of all sorts from the United Kingdom in 1872-3-4 was \$50,470,966; by 1890-1-2 it had declined to \$20,136,125. It will be remembered that the first steel rails were made in the United States about 1867, when protective duties were first imposed for the purpose of giving employment to American labor in making them for American railways. A similar decline has taken place in British hardware and cutlery, which amounted to \$24,052,361 in 1872-3-4, and to \$12,477,912 in 1880-1-2, a decline of 48 per cent.

In connection with the foregoing, the evidence given before the Royal Commission on Depression of Trade and Industry, becomes very interesting. The witnesses point out in specific detail the causes which have brought

about the decline of various branches of this industry in the United Kingdom. The reduction in wages which have been made to enable them to resist the invasion of their home market and to hold foreign trade, shows clearly that the cost of labor in production is the very basis of successful competition. Another fact is brought out very clearly, that were it not for protective tariffs imposed by the United States, we should be using imported hardware and cutlery, our railway trains would be drawn by foreign-made locomotives, over rails made in England or on the Continent. The advantage of iron and coal, without protective tariffs, would not have enabled us to develop the vast iron and steel industry which has now become one of the great sources of our industrial prosperity.

The attention of the reader is now called to the testimony of numerous witnesses examined before the Royal Commission:

James Willis Dixon, president of the Chamber of Commerce, Sheffield, was examined and said :¹

*Decline
of trade in
Sheffield—
Causes.*

Q. Do you notice in Sheffield any symptoms of what may be called depression?

A. Certainly. There are many houses to let, the value of land has gone down very considerably, and the value of house property has gone down from 30 to 40 per cent. The value of land has gone down 40 per cent at least outside the town, although in the centre of the town it remains, perhaps, about the same.

The steel rail trade has left the town, and last year, speaking of the Limited Companies, their value has depreciated two million pounds sterling. There is not any fresh building going on. I should like to say that I consider it about at a standstill at the present moment; it was never so difficult to let houses or to sell land. It is attributable to the want of more profitable orders coming into Sheffield, and I think to the decline of trade. If you ask me what the cause of the decline of trade is, I could perhaps give a few reasons. I know some glass cutters who have failed, partly owing to the competition from the importation of German glass. The Germans export iron and steel rails and tires and axles to Italy and Spain, and to other countries where there are low markets, and orders often go there in consequence.

Speaking generally, of course, when the agricultural interest of this country is depressed the Sheffield trade is depressed in proportion, and I believe that the agricultural interest is very greatly depressed, owing in a great measure to the low price of cereals, as corn may be brought into this country at a rate of carriage which is very small. I know this, because my travelers are all over the agricultural districts of England and Scotland, and, of course, I am hearing about every day from them, and the general cry is, the depression of trade. Then there are the American duties. I had a fine trade with America about twenty-five years ago, a magnificent trade. I had an agent there who was paid £400 a year, to keep stock there, and who did a big business. It is all gone and I do not send 6d. worth to the United States to-day. And other firms are similarly situated with myself. I had a very large Canadian trade. Four or five years ago I did several thousands a year with Canada, but the Canadians put on the duties, and I do not do a thousand now with Canada. That is another reason for the depression of trade in Sheffield.

*Foreign
competi-
tion.*

Then the French have altered their duties from *ad valorem* to specific for many Sheffield things. I know that in my village of Wadsley, where they make Wadsley flat backs, which is a common knife which used to go so largely in France, they have great destitution in that village. I live in that village and I came up from there on

¹ Royal Commission, Second Report, Part I., p. 18.

Monday to London, and my wife said to me as I was coming away, "Several of the families are so very poor, will you allow me to order soup to be made for this village?" The reason is the alteration of duties in France. Then with regard to Spain, we cannot get in there at all. The Russians, too, have closed their markets. They are making their own steel rails now. By the Board of Trade returns I see that the colony of Natal we were doing five years ago £8,000,000 worth, but they are not doing £4,000,000 worth to-day. I had a fine trade there, but it is about closed. The Germans are cutting the Sheffield cut-glass industry out. They come over to this country and buy the patterns and they come back and sell glass here at half price. I consider that the trades-unions in Sheffield hamper trade and keep up the rate of wages abnormally, and keep up the price of labor more than it would be if there were not trades-unions; and, of course, that handicaps the Sheffield manufacturer considerably against foreign competition, and that is a very serious thing. Q. As you are aware we are frequently told that if any country imposes an import duty on manufactures it raises the cost of manufacture in the country imposing it? I am anxious to know whether that has been the case in Germany? A. I believe that has a great tendency to keep out my goods from Germany. Q. But could you say whether it has tended to increase the cost of production in Germany, and so to lessen German competition in England? A. It has not lessened German competition, it has increased it. I used to do a splendid trade in Britania metal in Germany twenty years ago. I could go and sell five hundred waiters in a day, whereas, I could not sell one now. The competition is keener (in England). I have seen the Germans coming here in shoals. I can only tell you this, that I have more German people coming here, and I buy more German goods myself, and I find the people that I know in business are buying more German goods. There are merchants in the city of London who used to buy goods for the colonies and for foreign countries in England ten years ago, but they now go and buy in Germany goods apparently equal, and at a much less price, and the orders are to buy German goods and not to buy English goods, and so they beat us.

This is an important fact to be considered, because trade of this character is not disclosed by the official records of imports and exports of the United Kingdom. Goods purchased by British jobbers on the Continent and resold in other countries are shipped direct from the country in which they are produced to the place of destination. An increasing trade of this character can be carried on without giving employment to English labor. As productive industries are made unprofitable at home by excessive competition and poverty of customers; as domestic industries are supplanted and die off, capital instead of going into other pursuits at home, seeks the foreign trade of buying in one country to sell in another, which Adam Smith regarded as the least profitable trade for a nation.

Steel rails.

I. T. Smith, director and general manager of the Barrow Hematite Steel Company, said on examination :¹

The export of steel rails practically ceased to the United States ten or twelve years ago; it was in consequence of the high duties that existed in the United States. Protection has enabled the Americans to hold their own market as against English competition up to two months ago, when we broke through it with an order we then obtained; and we had to pay upon those rails \$17 of duty, and 8s. freight, that is \$19. The duty is now \$17, it was in fact \$27 only a moderate period ago; the duty has been reduced several times, but always kept at such a point that we have been unable to compete with them until just recently.

¹ Royal Commission, Second Report, Part I., p. 59.

This is a confirmation of the statement of Mr. James M. Swank, secretary of the Iron and Steel Association of America, that our duties on steel rails were no higher than they ought to be. The attacks which have been made on the steel rail producers of the United States have emanated from the steel rail trust of Europe, designed solely to destroy the industry in America that a market might be provided for the produce of the labor and capital of aliens. The reduction in prices which followed the establishment of the steel rail industry in the United States together with the employment which it has furnished to labor, fully vindicates the policy which closed our markets to foreign-made rails.

Q. Can you give us any information with regard to the association which we understand has been formed for the purpose of distributing the orders received for the manufacture of rails? A. I had something to do with the organization of that association, and the conduct of it since. It was formed two years ago, at which time steel rails were being sold at less than £4 per ton at the works. The quantity of rails that were required then had fallen off to about one-third of what it had been in previous years. We were all of us working nothing like half time, the competition became so keen that we got down to less than £4 a ton at the works. After some time the makers in England, all except one firm, agreed to join the association, and it was decided to endeavor to associate the Belgians and Germans with us, as being the only two countries that exported rails. It ended, after taking the figures of three years, of the exports from the three countries, that Great Britain kept 66 per cent of the entire export trade. Belgium had 7 per cent and Germany had 27 per cent. We have since modified the division a very little, and given Germany 1 or 2 per cent more, and Belgium $\frac{1}{2}$ per cent; but in effect this country has reserved two-thirds of the export trade. The next thing that we had to do, having agreed upon what proportion each country was to have of the orders of the world, was to agree amongst ourselves how we should divide those orders, and we thereupon assessed the capabilities of each work, each company representing a certain number of parts out of one hundred parts. The effect of this has been that we have gone on for two years dividing the orders in something like a proper proportion, and we have maintained a price of £4 13s. a ton at the works, it having been when we began, £4.

*Foreign
steel rail
trust.*

From the foregoing facts it appears that the destruction of the steel rail industry of the United States, through a repeal of our protective tariffs, would commit the American consumers to the tender mercies of a gigantic foreign steel rail trust, in which the great European countries are united. If through the annihilation of steel rail production in the United States, the steel rail trust is destroyed, we should certainly be no better off, so far as this class of trusts is concerned; hence, it appears that trusts must be dealt with through a different class of legislation.

Mr. Smith testified further that, "In the steel works during the last four years, I should think the wages have gone down 20 per cent, they are that amount less now than they were. The amount of employment in this particular branch of trade only keep the men at work half the time, and their work is less per day now than it was four or five years ago."

*Effect
on wages.*

Charles Belk, master cutler of Sheffield, said:

I believe that we are quite capable of holding our own in neutral markets with the Americans and Germans. Certain markets, to some extent, have been closed against us within the past twenty years. To a large extent the markets of the United States, and France and Germany. The market of the United States has been closed for the benefit of the home producer; the same has been the case in Germany, and to a large extent in France also.

In many of the trades the workmen also have been compelled, by the pressure of circumstances, to accept lower rates of wages, but on the other hand, in other trades there is no material reduction in the rates; and in the latter, the lack of employment is largely compensated by the exceptional cheapness, at the present time, of all the necessaries of life. In the commoner and inferior kinds of productions there is a competition which is appreciable. I think it is attributable largely to the fact that in Germany the workmen work for lower wages and they work longer hours. The protective duties imposed by the United States, have been the cause, to a great extent, of the decreasing amount of Sheffield goods that went there. I will not say that the United States has benefited by the imposition of those duties, but it is certain that Sheffield has suffered from the imposition of those duties.¹

The report of the Chamber of Commerce from Sheffield states:

Formerly a most lucrative trade was carried on with the United States, which drew very large supplies of goods from this district. The duties, however, which have been placed upon these goods have for the present, at any rate, extinguished the trade, except where great excellence of quality renders the cost no object. From Germany the lower qualities of goods made in this district have been almost entirely shut out by duties, and the same remarks apply to France and to Italy.

Loss of trade with the United States on account of the high duties imposed by that country.

Thomas Edward Vickers, engaged for many years in the crucible bar and sheet steel trade, and also in the manufacture of steel for ordnance, marine and locomotive works, was examined and said :²

A number of years ago there was a very large export from Sheffield of steel in bars and sheets, for the manufacture of tools of all classes. My business in this trade was chiefly with America, and is nearly extinct now. The loss is not only with America, but with other markets, and they have gained nothing else in return.

Q. What was the cause of your losing those markets? A. The high duties against us. The amount of trade in bar and sheet steel with America, in 1864, of my firm, was £83,000; last year our whole business with America was under £4000 in value. Again, our trade with that country in railway material amounted to £100,000 in 1873, and last year it did not reach £1000. This manufacture afforded employment for colliers, steel converters, steel melters, and their furnace men, crucible makers, clay getters, tilters, foremen, rod and sheet rollers, sheet shearers, and a large number of other men connected with the inspection, packing, etc., of the steel. Q. Have those men who were so employed lost their employment? A. Many have lost their employment. Q. A further explanation of their diminished employment is, that a new process was substituted for the old, which does not require so much labor; is that your view? A. Not at all, it is because the trade has entirely gone away from us. If we could recover our old business with America we should give employment again to this class of men. Q. Are you able to compete with America in neutral markets? A. Certainly; I do not at all believe in American workmen being superior to English workmen, as some people choose to say, and therefore

¹ Royal Commission, Second Report, Part I., p. 74.

² Id., p. 108.

able to manufacture at a lower cost. My idea is that no help can be given to trade excepting by utilizing our colonies, and making some federation by which we get free trade with our colonies, and tax other countries which do not give us free trade. The development of the manufactories in the colonies, has not been so great as within the United States. It certainly could not be because the manufactures in the United States have been fostered by their tariffs. The development in Germany has been greatly accelerated by the adoption of a distinctive protection policy. Q. I am anxious to obtain your opinion as to whether this large inducement which is offered, by the operation of the high tariffs, has deflected the movement of capital and skill, which otherwise would have gone from this country to our colonies, to the United States, and so developed America at the expense of our own colonies? A. I think it must have done so. There has been a very great emigration from Sheffield to the United States, very little to Germany, and to Russia very slight. The emigrants to America remain there. I have only heard of individuals returning. The new steel industries of America will be chiefly established upon skill imported from Sheffield. The United States manufacturers cannot compete with us outside of the States. The manufacture of steel in the United States must simply be for their own market, which was for many years the most valuable market we had. Their highly paid labor necessarily involves expensive manufacture. The United States cannot compete with us in Canada, although they are next door. We receive no competition from the United States in Australia, or in India, or in any other colony.

*Protection
and wages.*

The reader will note the important fact brought out by the foregoing evidence, that wages enter so largely into iron manufacturing that the high wages paid in the United States stand in the way of successful competition with England; that the only way by which we can hold our own markets against England under free trade, to say nothing about getting a share of foreign trade, would be by a radical reduction of the wages of American labor.

Stewart Uttley, practical file smith and general secretary of Sheffield's Trades Council, said:

One of the principal matters which appears to affect our trade, and likely to affect our trade in Sheffield in future, is that of spurious goods and false marks. Since the introduction of the Bessemer process there has been brought into the market a cheap class of steel used for purposes where a keen cutting edge is not required, but admitted by most competent judges to be practically unfitted for many of the purposes for which, in consequence of the great difference in price between it, and the best crucible steel, it is used. This matter of imposition is so glaring that Dr. Webster, the American Consul for Sheffield, in his report to the American Government for 1884, makes special reference to it in the following terms: "It is an open secret that thousands of tons of Bessemer are sold annually as cast steel for the home as well as the foreign market." He stated, "that a steel manufacturer had boasted that he bought steel at \$50, and sold it for \$250." The Consul also refers to the ancient practice of the Sheffield Cutler's Co., of enforcing the public destruction of any cutlery which was found to be of material inferior to what it professed to be. These remarks are supported by the statement of Sir Henry Bessemer, that at least one-half of the crucible steel made in Sheffield was made from Bessemer scraps. This scrap is worth at the best from £4 to £5 per ton, when crucible steel ought to contain a large proportion of the best Swedish bar iron, worth about £15 per ton. On table-knife blades and butchers' blades there are four systems of producing the

*The use
of poor
materials
the result
of free com-
petition.*

blades. First, the forging by hand, which is the system adopted by all respectable firms for their best goods, and in many instances for the commoner qualities; secondly, forging by machinery, commonly called "goffing;" thirdly, flying or stamping out of common Bessemer sheet steel; and fourthly, the system of producing the blades from casting from common pig-iron. As every practical man knows that the finest properties of a blade consists in its elasticity and evenness of temper, and accompanied with a proper bevel from back to edge, and as the more a blade is hammered the more elastic and uniform in temper it becomes, it naturally follows that the blade which has been subjected to the most careful hammering and the greatest care in shaping, is by far the best. The goffed blades are very inferior in shape and finish, and not receiving the care which as a rule are received by those forged by hand, cannot possibly be as good. As regards filed blades, the material out of which they are made, as a rule, is very inferior, the shape imperfect, and being subjected to little or no hammering, are lacking in all the properties of a good blade. This would not matter so much, were it not for the practice which so largely prevails of marking the blade "Warranted Shear," or "Cast Steel, Sheffield," when they really are made from Bessemer with the obvious intention of deceiving the purchaser, as it is a well-known fact that shear and cast steel are the very best for blades, and Sheffield, possessing the reputation for producing both steel and blades, customers observing the mark are induced to buy, but for all practical purposes they are useless.

Mr. Robert Holmshaw, another member of the above-named society, and a Sheffield artisan, testified on the same day that, "The last instance in which an inferior quality of goods was destroyed in Sheffield would be thirty-five years ago, and that was destroyed in what was called 'Paradise Square.' " Thus it appears from the evidence of these experienced artisans of Sheffield, that the effect of the excessive competition to which manufacturers of this famous manufacturing centre have been subjected, is enforcing the use of poor material, and the making of an inferior quality of goods. It is such practical experience as this which the advocates of protection are now enabled to invoke to disprove that free trade dogma which was announced by Mr. Cobden and his associates, and which has been persistently urged, especially by theoretical writers, that free trade or free competition, operated as a stimulus to the production of superior goods and finer quality. It appears that the desire to undersell, to hold markets and outstrip competitors, induces the perpetration of frauds upon customers, which are unknown among those producers who, under the shield of protective regulations, are enabled to regard something besides mere "cheapness" as a basis upon which manufacturing may be carried on.

*Wage rate
of Sheffield
artisans.*

In regard to the rate of wages Mr. Uttley said that the rate of wages for skilled artisans in Sheffield was 10 per cent lower than they had been for five years before. He says: "Now the generality of the men earn at the present time, from 18s. to about 22s. a week for piece work."

Mr. Robert Knight, general secretary to the Boiler Makers' and Iron Shipbuilders' Society, gave the following testimony:

Q. What do you say with regard to the condition of the industry in which you are interested? A. It is in a most deplorable condition. The work has fallen off

to that extent that we have fully one-third of our members, who are usually engaged in ship-building, out of employment at the present time. The number last year (out of employment) was 3927 in January, 6727 in June, and 9046 in December, showing an average of 6681 out of employment during the whole year, being 23½ per cent of the society. At the end of March, 27 per cent of our members were out of employment, as compared with 25 per cent of December of last year. Q. What are the causes to which you attribute the present depression, and the depressions which have from time to time succeeded one another? A. There is not the slightest doubt with reference to ship-building, but what it has been over-production; it applies to the whole country. Q. What is the remedy to which you look? A. The principal remedies, or one of the remedies, which I should suggest, would be the taking away of the large surplus labor that we have, to our colonies, and it is possible to do so, especially the ones from the agricultural districts. It would considerably assist the labor market if that was done. Some few years ago a number of small farms were turned into large farms, and on account of the breaking up of small farms and throwing them into large farms, there was the displacement of a large number of hands; not only the small farmers themselves but the people were driven away from their homes, some driven into the towns, and others driven to emigrate, and also the laboring classes of men, such as wheelwrights and mechanics of different kinds, were driven from the country villages into the towns as a rule. In the boiler-making line with which I am connected, also which belongs to the same society, we have very often a demand for our men to go to America and Australia, and to different colonies, where they have found employment, and many of their friends have followed them. Q. How are your wages at the present time, as compared with any previous time that you may have in your memory? A. The piece rates would be something like 40 per cent below what they were four years ago. The day rates would be reduced something like 10 per cent, I should think, taking them all around over the last three or four years. The day rates are fully 7½ per cent lower than they were ten years ago. I am including the whole of the society, which will include boiler-makers and riveters. If I was to take day rates that are paid in the ship-building yards, it would be more than 7½ per cent. I dare say that the day rates would be fully 15 per cent below what they were ten years ago in the ship-building yards. All those men who are out of employment, about one-third of our society, are skilled mechanical workmen. The actual amount of earnings is 40 per cent below what it was a few years ago. The increase of facilities in the yards affects one class of men only, that is the platers. The angle-ironsmith, it does not affect him in the least; the riveter, it does not affect him in the least; and the caulker, it does not affect him in the slightest degree; the only one that is affected by the facilities in the yard for doing the work, is the plater.

Boiler-making and iron ship-building.

Laborers out of employment.

Q. Would it not be better for those 9000 men who are out of employment at the present time, if they cannot get 6d. an hour, would it not be better for them to take 4d., than to be idle and going about the streets doing nothing? A. If they were to offer to work at 2d. an hour, it would make no difference, for there is not the work for them to do. There is the fact that on the Tyne at the present moment, there are 120 vessels lying up with nothing to do, and no one in the world would build vessels if they have not got work for them. If the men were to offer to-day to work for 2d. per hour, the employers would not lay out a lot of money in building vessels.

The revolution which has taken place in the iron and steel industry during the past twenty-five years, has increased the necessity of maintaining the policy of protection in the United States. The Continent of

Productive capacity of British iron industries.

Europe to-day has a vast surplus production for sale. Neutral markets are being contested for under the sharpest competition ever known. British industries are engaged in a life-and-death struggle under free trade. With the best markets in the world closed in great part to their productions, with neutral markets being divided and large sales being made in their home market, it is safe to say that unless the market of the United States is thrown open to them their trade has seen its best days. The result which would follow such an event is perfectly well understood by the British manufacturers. Their facilities for production are so vast, that without building a new furnace they could fully supply the American market. Speaking of their productive capacity, Mr. Mulhall in his "Dictionary of Statistics," states that the iron furnaces of Great Britain had a productive capacity of 16,900,000 tons in 1885, while their actual production was only 7,500,000 tons. The English manufacturers reached their highest production in 1882, which was 8,586,680 tons. With a capacity double their highest annual production, why should English free traders and their allies be advising the people of the United States to adopt free trade and capture the markets of the world, when Great Britain practicing free trade, with unlimited quantities of iron ore and fuel lying at the doors of their factories, with abundant capital, with long experience, with skilled artisans and low wages, are running their furnaces at less than one-half their capacity? The question suggests itself, if there are any markets of the world which are not already pre-empted, why do not English manufacturers rush in and make the capture themselves?

CHEMICAL INDUSTRY.

"The only way to compete with Germany, particularly, would be by a reduction of wages."—*Testimony of W. Charles Althusen before Royal Commission.*

*Low wages
the result
of free com-
petition.*

The imports of chemicals into the United Kingdom, which were \$1,702,405 in 1860, increased year by year until they reached \$5,961,660 in 1890 for home consumption. The loss of foreign markets, however, from foreign competition, has inflicted a severe blow upon the industry.

The following evidence upon the condition of the chemical industry of the United Kingdom is very important in many respects. In the first place, the long business experience, ability and candor of the witness gives such weight to his expressions upon certain economic propositions that they command the most careful consideration. The injurious effect of free competition upon the industries of a country, is clearly proven. Low wages are shown to be the only means by which England, under free trade, can resist foreign competition and fight the industrial battle in which she is engaged. Another fact pointed out is, the very slight improvement in wages which has taken place in this industry between 1855 and 1885. The reductions which were made between 1876 and 1885 disclose the fact that English manufacturers have been attempting to

accomplish by a reduction of wages what might have been secured through protective tariffs. They have reached a point where their home market can be held only by sacrificing the comfort and prosperity of their wage-earners. This is not only occurring, but the profits of manufacturers are being wiped out and industries destroyed. It is a most significant fact that after forty years' experience with free trade the witness, who was an eminent tariff reformer with Richard Cobden, should arrive at the conclusion that free trade is a failure, and that reciprocity treaties would have been more beneficial to their interests.

Charles Althusen, who has been in business since 1840 as a member of the firm of Charles Atwood & Co., chemical manufacturers, said:

I may remark that I have always taken a great interest in tariff reform, first with a view of bringing about the removal of restrictions in this country, and subsequently I was actively engaged in promoting tariff reforms abroad. I visited France, Germany, Austria, Italy, Spain and Belgium, and from the support I received from Her Majesty's Ministers, some good resulted from my exertions. I cannot hesitate to state now that had commercial treaties been entered into before our Corn Laws were repealed, our commercial relations with foreign nations would have been very much better than they are at present. I am able to speak more particularly with regard to the chemical trade. Upon the whole, it is not satisfactory. It is the consequence of over-trading and competition. Q. Does that competition come from abroad or from home? A. Latterly it has come from abroad, to a very considerable extent; not that we have had as yet any very large imports into this country, but the Germans, particularly, have taken our markets away from us. The first shipment of chemicals to Germany was made by me in 1835, to within a few years the exports were constantly increasing, but now the Germans produce about 120,000 tons of soda ash annually, which is more than sufficient to supply their wants. Q. Do you consider we are in a position in this country to compete successfully with foreign countries as regards chemicals? A. I think we can compete, so far as it concerns the cost of raw materials. I think we are, upon the whole, upon an equality except with regard to labor.

Bad effect of free trade on chemical manufactures.

The rate of wages has fallen this last year owing to the compulsory retirement of some of the manufacturers; the trade began to be so unproductive that several works have been closed. I have ascertained the wages paid in Prussia, which are from 50 to 100 per cent below our rates, though the hours of working here are fifty-four against seventy hours per week in Germany. Q. Have there been many works closed in consequence of the depression? A. I do not recollect the precise number of works, but I think five or six have been closed on the banks of the Tyne. Q. What do you look to as the best means to be taken for improving the condition of the trade, especially in that business? A. In the first place, bad trade cannot fail to lessen production, and this, probably, will increase the price of the articles which have to be sold. The only way to compete with Germany particularly, would be by a reduction of wages, but how that is to be brought about is the difficulty. That it must come is to me perfectly clear, because when employers cannot sell their productions at a profit, they will in the course of time, be unable to pay the wages now required by the men. I have no hesitation in saying that if the cost of labor is lessened our chance of competition will be very greatly improved. Taking the article soda, for instance, the cost is entirely composed of labor, except for the royalties paid for coals and salt, and at each stage the wages are at present higher than our competitors abroad have to pay.

Fall in wages.

*Effect of
foreign
tariffs.*

The markets for our productions have been seriously affected by the operation of foreign tariffs. The raising of duties in every country has the effect of lessening our sales. Having always taken a great interest in reforms of foreign tariffs, Mr. Cobden asked me to go to Paris with him, and the reduction of the then existing duties on chemicals was to a great extent placed in my hands, in connection with Mr. Muspratt, of Liverpool. The duties fixed by the tariffs then arranged gave us temporarily, a considerable trade with France; but, the French since then, have lessened the cost of production, and our exports of chemicals to that country have consequently ceased, solely excepting small quantities of bleaching powder. The present duty on soda surpasses 33 per cent on its value.

Q. You are aware, I suppose, that there was a great increase in German duties in 1879; did that affect your branch of the trade? A. It has affected us to a considerable extent, but I think we are more affected by the Germans having become our competitors. The German manufacturers made fortunes, and as a consequence they greatly enlarged their establishments. They send a considerable quantity of their products to America, where we had the entire market in former years. Q. Are the Americans making much progress in their chemical manufactories? A. They are attempting to do it, and they may succeed, but their high wages are against them.'

The opinion of the witness that the United States can never become a competitor with England and Continental countries, so long as the present high wage rate is maintained, corroborates the oft repeated statements of American manufacturers. The opinion of one such witness should outweigh the speculations of those theoretical writers who have become the advocates of a policy which has been condemned by the experience of business men.

PAPER INDUSTRY.

The paper industry is not an exception to the general rule which is shown to prevail with regard to all British industries. With their ports open to receive the surplus products of the Continent, they have suffered as all free trade countries must suffer when so exposed. The imports into England in 1860 were only \$511,900. No sooner had the duty been removed than imports began to increase.

In 1875 they amounted to \$4,767,540 for home consumption, and by 1890 they had reached \$9,201,640. During this time the exports of paper made in English factories increased from \$4,540,170 in 1872-3-4, to \$7,508,987 in 1890-1-2. By 1890 they had reached the point under free trade, where they were buying more paper than they were selling. This is certainly a result which was never contemplated by Mr. Cobden and his associates. The situation of the industry was disclosed by the following evidence before the Royal Commission.

Frederick Pratt Barlow, paper manufacturer in Hertfordshire, was examined and gave evidence as follows:

I should like to supplement the evidence by giving an account of my tour this last fortnight in Germany. This Easter some eminent Scotch papermakers and I

*German
competi-
tion.*

¹ Royal Commission, Report III, p. 264.

went across in order to try and discover the reason of all this foreign competition, and why the Germans were able to compete with us so successfully. We visited seventeen mills on the Rhine and in Saxony and Bohemia. The papers we saw being made, and which were sold in Germany itself, appeared to be fetching very good prices, indeed; I mean prices which we should consider good for similar papers in England. But in every mill we saw them making paper for the English market, and these papers were being shipped to London or to India, or to the colonies, at prices far below the prices at which the same papers were selling in Germany and in Bohemia. They seemed to look upon England, as one man expressed to me, as a sort of rubbish heap on to which he could shoot all of his surplus products by getting rid of so much a week, at cost price or a little below. He explained that he was able to keep down the expenses of the mill, and so make a handsome profit on the paper that he sold in his own market, where it could not be disturbed at all by British competition. There was one particular paper which we were shown, that was selling in Berlin for three-pence, and the same paper was selling in London for two-pence, notwithstanding its coming from the furthest end of Saxony, by rail and river, and consequently being trans-shipped no less than three times. At one mill—I was not at that particular mill—they told my friend with glee that they were making English postal cards for the English Government. The wages we found to be about half what we would pay for similar labor in England, that is to say, a skilled workman was getting 3s. 6d. a day, against six shillings; material seemed to be about the same in both countries, our coals and chemicals being cheaper, and their wood and straw possibly were cheaper, but not to any great extent. We found in the mills we visited from two to five machines. Much as we would expect to find in a similar number of mills in England, the machines varied from sixty inches up to one hundred and twenty inches in breadth. Some manufacturers seemed to keep one or two of their machines going entirely for the English market. All through, as far as we could see, they tried to keep their output always up to the maximum. It makes all the difference to the profit when the utmost is obtained out of the plant in the course of a week.

Q. What do you consider is the part of their system which affects us most? A. The protective duty on the finished article. Q. How would you propose to meet that? A. I should like to see a countervailing duty of the same amount. In Germany the protective duty is equivalent to a half-penny a pound on the paper. It amounts to 33 per cent on the cheapest papers that are exported from Germany. The effect of the protective tariff was to give them the entire command of their own home trade. This has induced them to begin the large works which they possess at the present time. Q. The effect of that has been to enable them in consequence of their securing a steady market, greatly to increase the field of their productive skill, and of course to improve and economize the production? A. No doubt. Q. And that therefore tends to make them stronger in international competition? A. Yes. Q. Might we not assume that the same effect could be produced here; might we not assume that if the paper trade of this country were placed in secure possession of the home market, by an adequate import duty, the effect would be to give more constant employment to those engaged in the trade? A. That is what we maintain. Q. It would, therefore, increase the magnitude of our operations and the economy of our production? A. I think so. Q. And do not the Germans complain of import duties on those chemicals as being a very serious burden on their manufacture? A. No. We asked them that question, and they did not seem to consider it a very serious matter. Q. Then you would not agree with this consul's report, in which he says, that those chemicals would have a very sensible influence upon the cost of production of paper, and that the taxing of them is a positive disadvantage, so much so that the working people mix chloride of lime, alum, caustic soda and

*Protection
the remedy.*

ultramarine? A. We did not hear them complain of that. All about Dresden there are chemical factories on a large scale now.¹

G. Chater, Jr., said :

*American
competi-
tion.*

Q. The high class of papers are all made of English manufacture, are they not? A. We suffer a great deal from the Austrian competition in writing paper. The English manufacturers make as good paper as the Austrians, and better, but they cannot afford to make it at the same price. Q. Do you suffer from American competition at all? A. Not directly. We suffer from American competition in some of the neutral markets, such as South America—they are trying to develop a trade with South America.¹

Q. What do you say to this; I had a paper placed in my hands a few days ago, and I was informed that the paper was manufactured in America; that the type was manufactured in America; that the ink with which it was printed was made in America; that the machine with which it was printed was also made in America; and it was really spoken of very gratefully; could you give us any idea whether the English manufacturers could make the same quality of paper? A. Yes, undoubtedly.²

The questioner should also have added that not one of these things could have occurred had it not been for the system of protection to home industries practiced in America.

The evidence of other witnesses shows that Belgium has also become a competitor. France and the United States are supplying their own markets. England finds herself in the situation, under free trade, of surrendering a large part of her home market to aliens, while neutral markets are being largely divided by the surplus production of protectionist countries. It is not at all surprising that an experience of this character should incline British paper manufacturers to see the folly of free trade, and the wisdom of protection.

AGRICULTURE.

. . . a bold peasantry, their country's pride,
When once destroyed can never be supplied.

*The peers'
protest
against
repeal.*

In a protest presented by the peers against the repeal of the Corn Laws, on June 25, 1846, the following reasons were given for their opposition to the measure:³

1. Free trade will make this country dependent upon foreign countries for the supply of food.
2. There is no security or probability of other countries' adopting it.
3. It may be the cause of throwing lands out of cultivation.
4. It is unjust to landed interest, which is subject to exclusive burdens for purposes of general advantage.
5. The loss will fall most heavily on tenant farmers, and through them on agricultural laborers.
6. Similar results will befall tradesmen who mainly depend on the custom of those engaged in agriculture.

¹ Royal Commission, Final Report, p. 13.

² Id., p. 10.

³ Fair Trade Journal, Vol. II. p. 15.

There were men in those days who foresaw the result which would follow the abandonment of the policy of protection. The true statesmen of the time, as experience has proven, were protectionists, and resisted by all honorable means the rash and shortsighted policy proposed by Mr. Cobden. The peers looked upon the question from the standpoint of a broad and enlightened statesmanship. They dealt with the question as one affecting the whole realm. They believed in preserving and fostering the agricultural interests, as well as the manufacturing and every other. Their predictions were so well founded that after the lapse of forty years it is proven to have been a very conservative statement of the case. They underestimated the ruin of the agriculturists which followed.

So long as protection lasted the agricultural interests of England had kept pace with the constantly increasing population. Up to 1846 the English farmers had supplied the home markets with the produce of their farms, in exchange for clothing, implements and wares of the English factories. By this interchange of commodities which was carried on, the rural population sustaining the cities, and the cities contributing to the prosperity of the agriculturists, for more than two centuries a flourishing and steadily improving condition had been maintained. The advantages of this policy to a country were fully demonstrated by the long experience of the English people. The valuable home market which so long had been maintained for manufacturing centres was not appreciated by the commercial classes until recently, when they have been able definitely to measure their own losses by the gradual decay and disappearance of the rural population. The experience of the English people in dealing with this important branch of production furnishes one of the most striking examples of the folly of free trade. From the removal of protection to agriculture in 1849, year by year until the present time, the imports of farm products have increased. The agricultural population has steadily decreased, until the tenant farmers are almost wholly driven out of the country, and the land is being cultivated by common laborers, who live in the most miserable hovels, relying for subsistence on meagre earnings and public charities. Land has so depreciated in value that, in many cases, the poorer soil will not rent for enough to pay the tax rate. All improvement has ceased, and the country is fast approaching the condition pictured by Mrs. Trollope in her "Life of Michael Armstrong." The merchants in the country villages, carpenters, blacksmiths, bricklayers, stone-masons, and in fact the whole rural population, have suffered loss by the injuries which have been inflicted upon the farmers. As land passed out of cultivation, as improvements ceased, as profits were destroyed, and the spendable income of the cultivators of the soil was cut down, an immeasurable injury was inflicted upon the whole country.

Flourishing condition of agriculture under protection.

Contrast under free trade.

*Increase
of imports
of farm
produce.*

In 1836, while protection prevailed, the imports of farm products for home consumption amounted to only \$4,243,225. After the adoption of free trade in 1846, they increased to \$219,592,085 in 1860, continuing until by 1890, there were brought into the United Kingdom from foreign countries and consumed there the enormous sum of \$599,728,940. Nearly every dollar in value of the products included in these figures might, under protection, have been produced in the United Kingdom, and would have given employment and support to a vast population.

The imports of wheat alone increased in value from \$43,454,340 in 1859, to \$150,338,265 in 1880. A greater quantity imported in 1890, was of the value of \$117,250,550. To this should be added the imports of flour of \$11,908,990 in 1859, and \$44,883,080 in 1890.

*Decrease
of agri-
cultural
products.*

The following table shows the number of acres planted with wheat in the United Kingdom during periods of five years, and the number of people supported on home-grown wheat from 1855 to 1859, and from 1885 to 1889. It discloses the fact that 1,679,618 acres had gone out of wheat cultivation and 10,500,000 fewer people were consuming home-grown wheat than at the time when free trade was adopted. If the same number of acres were cultivated now as in 1855, it would feed 22,000,000 of people, whereas only 12,000,000 are being fed on domestic wheat.

Quinquennial period.	Average area in wheat acres.	Number of persons supplied.
1855 to 1859, ...	4,128,972	22,500,000
1885 to 1889, ...	2,449,354	12,000,000
Decreased, ...	1,679,618	Decreased, 10,500,000

From 1841 to 1849, out of a population in Great Britain of 19,592,824, 17,004,118 were fed on home-grown wheat, and 2,588,706 on imported wheat, as estimated by Mr. Porter.

The home-grown wheat compared with the consumption imported, given in quarters in 1845 and 1887, was as follows:

AVERAGE FOR THREE YEARS.

	1845. Quarters.	1887. Quarters.
Home-grown, ...	16,203,571	7,982,740
Import of foreign, less export, ...	1,103,346	16,319,706
	17,306,917	24,302,446
Population, ...	28,300,094	37,091,564
Per head, ...	279 lbs.	314 lbs.

The decrease in the cultivated area continues steadily year by year, as shown by the Statistical Abstract of Great Britain, comparing 1882 with 1892. The number of acres cultivated in the several crops named, were as follows:

GRAINS.

	1882.	1892.
Wheat, ...	3,003,960	2,219,839
Barley, ...	2,255,269	2,036,810
Oats, ...	2,833,865	2,997,545
Rye, ...	56,553	48,103
Beans, ...	436,882	311,310
Peas, ...	246,851	194,424
Total, ...	8,833,380	7,808,031
Decrease in ten years, ...		1,025,349

In 1895, as shown by the agricultural returns, the acreage of wheat was 1,417,641, a decrease from 1892 of 802,198 acres.

GREEN CROPS.

	1882.	1892.
Potatoes, ...	541,064	525,361
Turnips and swedes, ...	2,024,326	1,937,163
Mangolds, ...	333,645	361,235
Cabbage, kohlrabi or rape, ...	149,941	150,992
Vetches or tares, ...	265,857	198,678
Other green crops except clover and grass, ...	160,827	96,148
Total, ...	3,475,660	3,269,570
Decrease in ten years, ...	106,090 acres.	
Permanent pasture, ...	14,821,675	16,358,150
Increase in ten years, ...	1,536,475 acres.	

The increase in permanent pasture has been made without an increase in stock-raising which would make such change necessary. The land thrown out of cultivation is put down in the Abstract under the head of "permanent pasture," when in fact it is simply adding year by year acres to waste land. The acres which have gone out of cultivation furnish only slight evidence of the decline of the industry. The system of free imports has made farming so unprofitable that land-owners have ceased to make improvements. The soil is running out and in many localities becoming unproductive. Instead of free trade's acting as a stimulus and compelling the adoption of better methods of cultivation, it has acted as a blight and hindrance to improvements. The cultivators of the soil cannot afford to invest money in machinery and labor, for the purpose of competing with other countries.

*Condition
of farming.*

It is only necessary in this connection to point out some of the principal imports of agricultural produce which have brought about this condition. The imports of barley, oats, rye, peas, beans, buckwheat and maize added to those of wheat bring the total imports of grains in 1890 up to \$219,075,260. The reader should study carefully Table No. 12 of the imports of agricultural products for home consumption into the United

Kingdom in 1890, in order to appreciate fully their magnitude and variety. Of dairy products the imports were as follows:

Butter in 1846, amounted to only \$1,863,635. By 1890, butter, including margarine, had reached \$66,563,400. The imports of cheese during the same period had increased from \$2,533,805 to \$23,996,635. The above statements relate to the imports for home consumption. No reshipments are included in the figures given. It would be out of place in this connection to attempt to enumerate the articles contained in the table referred to. The facts presented by it account for the disasters which have overtaken the tenant farmers of the country, and undermined, and in a great part ruined what at one time was a very important industry.

*Decrease
of cultivated area
and of agricul-
tural popu-
lation.*

The increase of imports caused a decrease in the cultivated area, which resulted in a decrease in the employment of labor, and a diminution in the agricultural population. The Minority Report of the Royal Commission on Depression of Trade in 1886, contained a table showing the percentage of the whole population employed in agriculture, taken from the census figures of 1851, 1861, 1871 and 1881. The decline was gradual and steady, and had reached the following point in 1881:

	1851. Population.	1851. Employed in Agriculture.	1881. Population.	1881. Employed in Agriculture
England and Wales, .	17,927,609	20.9 per ct. or 3,746,868	26,061,736	11.5 per ct. or 2,997,100
Scotland, ...	2,888,742	22.7 " " 655,744	3,745,485	14.2 " " 531,859
Ireland, ...	6,552,385	48.4 " " 3,171,354	5,144,983	41.1 " " 2,114,588
Total, ...	27,368,738	7,573,966	34,952,204	In 1881, 5,643,547

Total decrease in number of persons employed in agriculture from 1851 to 1881, ... 1,930,419

In 1851 7,573,966¹

The agricultural population of England and Wales, as shown by the census of 1891, was less than 1,518,914, or 5.25 per cent of the whole population. Mr. Arnold White in "The Destitute Alien," says, "With our existing population of 29,000,000, the proportion (of the agricultural class) is only one in every nineteen." The Fifth and Final Report of the Royal Commission on Labor,² shows that the number of agricultural laborers in England and Wales in 1891 had decreased 20 per cent in twenty years; that the decrease in Scotland was nearly 27 and in Ireland 45 per cent during the same period, and that in 1891, of the total number of persons over ten years of age engaged in agriculture in England and Wales, nearly three-fourths or 73.1 per cent were common laborers. In Scotland, this class constituted 62.5 per cent and in Ireland 30.7 per cent.

¹ Minority Report of Royal Commission on Depression of Trade, Final Rep., Royal Com. on Trade and Industries, p. 70. ² Part I., pages 201-3, of June, 1894.

The decrease in the rural population has been going on, while there has been an increase in the whole population of the kingdom.

More specific results which have followed the adoption of free trade, are very fully set forth in the evidence given before the Royal Commission on Depression of Trade in 1885. Sir James Caird, K. C. B., senior land commissioner of England, was examined and gave evidence as follows:

Q. Have you made any inquiry into the loss sustained in recent years by land-owners and farmers in this country, and as to how such loss may have influenced the general depression of trade? A. I have, and I may state that those inquiries have extended over Great Britain with the exception of some few counties. Beginning with Northumberland and the adjoining counties, and part of the borders of Scotland, the answer is, that on the farms which are chiefly arable the landlords' loss of spendable income is 40 per cent. The spendable income, as I would define it, would be what was left after meeting the usual charges upon the estate, and therefore, any reduction of rent, or other loss of rent, would mean a diminution of the spendable income. First, 40 per cent loss on farms, which are chiefly arable; secondly, upon farms which are half pasture and half arable, 30 per cent. On hill farms, where it is all moor or grass, 20 per cent, that is with regard to landlords. With regard to the tenant, in the first case, that is chiefly arable farms, capital ordinarily lost, and no income as a matter of fact from the farm. On the first class the chiefly arable farms, the tenants' loss is 40 per cent; on the second class, 25 per cent; and very little income; and on the third class, 10 per cent, and very little income. With regard to wages, they have fallen 15 per cent from what they were ten years ago, to something like what they were at the beginning of the twenty years to which we have been referring.

*Reduction
of income
from agri-
culture in
England.*

The rates (taxes), have increased, especially on the present reduced letting value, that is to say, if you were dealing with a farm yielding £500 a year formerly, and it is now only worth £300, of course if the rates remained the same over the whole district, they must press more heavily on the £300 than on the £500. The rates are higher in proportion to the rent.

The next county is Durham and North Riding, of Yorkshire; the loss of the landlord's spendable income is put down at 25 per cent; the tenants show 30 per cent of spendable income. With regard to wages, there has been 10 per cent reduction.

In the counties of Yorkshire and Durham, the landlords have 30 per cent reduction, and the tenants 50 per cent reduction, and wages have been reduced 10 per cent.

In Staffordshire and Shropshire, the landlords have lost 25 per cent from the reduction of rent and expenditure to assist the tenants, and expenditure beyond the usual expenditure on the estate, and the tenants have lost 40 per cent. The landlords have had 33 per cent, and the tenants 75 per cent reduction in spendable income. With regard to wages, a reduction of 10 per cent has been made, and a further fall of 5 per cent is expected.

Now coming to part of Yorkshire, Lincolnshire, Bradfordshire, Cambridgeshire, Leicestershire, Nottinghamshire and Northamptonshire, the landlords' spendable income has diminished fully 30 per cent, and the tenants' capital from 20 to 60 per cent. The tenants' capital throughout the country has been reduced in ten years in Great Britain by £81,000,000 (\$405,000,000), and their spendable income by £17,590,000 (\$87,900,000). Wages have fallen in the last two years from 10 to 20 per cent.

In Norfolk, Suffolk, Cambridge and Huntingdon, and what are called the High-lands, which means really rising pieces of ground in the fens, which were islands

*Loss of
income and
reduction
of wages.*

in the ancient times and are now called Highlands, the landlords have diminished in income 40 per cent in the fens, and 33 per cent in the Highlands. The tenants have scarcely any profits. The expenditure is largely reduced in order to keep up their working power. Seven farms of 2200 acres in the fens in four parishes, let at a reduction of 47 per cent from that of ten years ago. A farm of 1000 acres, which then let for £750, does not now yield the landlord as much as he paid in rates and taxes, and farms have fallen into the landlords' hands which have produced neither rent nor interest. Farms are "flogged," which means that they are very much run out. Their working stock is reduced and not renewed.

In Hertfordshire the landlords have had 25 per cent reduction, and the tenants' capital is 40, 50, 60 and even 100 per cent less.

In York, Lincoln, Norfolk, Leicester, Warwick, Northampton, Bucks, Oxford and Surrey, the spendable power of the landlords has been reduced 40 per cent on the average; the tenants have lost largely of their capital and they have no profits; and their spending power is not half what it was ten years ago, and is taken, most of it, out of capital. Wages have fallen from 15 to 20 per cent below what they were five years ago.

In Kent and Sussex the loss of spendable income to landlords is put down at 25 per cent, and the tenants no profits. All the trade in the country towns is in great depression from the impoverished state of landlord, tenant and laborer.

In Cumberland, Westmoreland, North Lancashire, West Northumberland and the borders of Scotland, after the drop in prices last year, the rents could not be made, and the landlords have abated from 10 to 20 per cent. The tenants rather holding on, than selling out at the great sacrifice of the present crisis. But if no improvement in price takes place we have not seen the worst. The poorer class of arable lands will not pay for cultivation, and this kind of land not being favorable to grass, there is a great loss of produce. The wages of men and boys have fallen from 20 to 30 per cent.

In Shropshire, Staffordshire, Hertfordshire, Montgomery, Worcester, Warwick, the landlords' loss of spendable income from reduction of rent is 25 per cent, and the diminished value of timber for sale, and the increased expenditure on drainage, etc., 10 per cent, making together a loss of spendable income by landlords of 35 per cent, and the tenants' income has been diminished 50 per cent. The wages of the laborers have been reduced from 7 to 10 per cent, and the farmers employ less labor.

In Gloucestershire and the neighboring counties, the landlords have had 25 per cent reduction of rent, and the tenants 50 per cent diminished income, and the wages are lower by from 10 to 12 per cent.

Now coming to Somerset, Devon, Cornwall and Dorset, the loss to landlords in the north and west of Dartmoor, on the poorer land, is from 25 to 30 per cent, on the better land, on the south and east of Dartmoor, from 15 to 20 per cent, and the tenants are living on their capital on the poorer land, while there is 30 to 50 per cent less than the usual expenditure by the tenants on the richer land. Wages have not fallen until two years ago, and then the fall was 10 per cent, but labor is less employed and farms show this in reduced condition.

Taking the evidence as far as I have given it, it embraces nearly the whole of England.

Scotland.

With regard to Scotland, taking the whole of the northern counties from Aberdeen northwest, the landlords' loss is put down at 30 per cent, and the tenants' at more than 30 per cent. With regard to wages, they have fallen 10 per cent.

In Perthshire, Forfar and Fife, the landlords have lost from 25 to 33 per cent, which is increased to 50 and 60 per cent by the large demand for improvements. Their power of spending is reduced by from 50 to 60 per cent, and the tenants have lost the whole of their spendable income.

In Dumfries, Midlothian and Argyle, and the western and southwestern counties, the landlords have less spendable income by from 20 to 30, to 35 per cent, and the tenants have lost all their spendable income. Their power to spend is lessened by one-half. There has not been much reduction in agricultural wages; but in the case of masons, joiners, etc., they are 25 per cent down.

The present as compared with ten years ago as deduced by me from those figures which I have already given, would show on an average that the landlords have lost 30 per cent, the tenants 60 per cent, and the laborers 10 per cent. And putting that into figures it brings out that on £65,000,000 of the rental of the United Kingdom, the landlords' loss of 30 per cent would be equal to about £20,000,000 (\$100,000,000); and the tenants' 60 per cent, inasmuch as their income may be taken at half the rental, would be just the same, that is to say, 60 per cent, or half the rental, is also £20,000,000 (\$100,000,000). With regard to the laborers, there was a difficulty in estimating the amount of reduction.¹

The estimate made by Mr. Caird, "brings out" the income "for labor at £28,000,000, and 10 per cent reduction upon that would be £2,800,000 (\$14,000,000), and the total loss to the landed interest in spendable income for the last year comes out in that way to £42,800,000 (\$214,000,000).

Q. Are you able to compare the amount of the home and the foreign supply of wheat soon after the commencement of the free trade system, with what it has become in recent years? A. In 1852, after the commencement of free trade and the conclusion of the potato famine in Ireland, and when the gold discoveries in California and Australia had been made, the produce of wheat in the United Kingdom was 69,000,000 cwt., and of foreign imports 18,000,000 cwt., and that showed a supply per head of the population of the United Kingdom of that date of 348 pounds. That is for the whole of the United Kingdom. In 1883, which was the year of our largest import of wheat, the production of wheat in the United Kingdom had fallen from 69,000,000 cwt., to 39,500,000 cwt., and the foreign had increased from 18,000,000 cwt., to 84,000,000 cwt., making (a total consumption) of 87,000,000 cwt. in 1852, and 124,000,000 cwt. in 1883, and the proportion per head of the population in 1883 was 400 pounds instead of 348 pounds. Then in 1885 the home production of wheat has still further fallen to 37,500,000 cwt., and the foreign imports had somewhat fallen from what they were in 1883, but still were 80,000,000 cwt., making a total consumption of 117,000,000 cwt., and a supply per head of the population of 364 pounds.

Home and foreign supply of wheat.

Compared with the whole value of the wheat crop in 1874, which was an average wheat crop, and at the average price of the preceding twenty-five years since the introduction of free trade, during which time the average was 6s. 9d. a bushel, the farmers' loss in quantity and quality, and price in the ten following years, eight of which were bad seasons, works out £171,000,000 (\$855,000,000), or £17,000,000 a year on the average (or \$85,500,000). There has been some compensation for this, in addition to other stock and crops, namely: there have been 100,000 acres more barley and oats, worth £800,000, and 936 more cattle, worth £12 each, £11,232,000; but the reduction of 3,100,000 sheep at 30s., diminishes the gain by £4,650,000, making altogether a gain of £7,382,000 to be deducted from the loss annually on wheat of £17,100,000, showing a net loss to the farmers on the wheat crop alone in these ten years of £97,100,000 (\$485,500,000).

Q. Can you form any average of what the consumption per head of the population is? A. It has been generally taken at nearly six bushels per head, which would be from 340 to 360 pounds.

¹ Royal Commission, Second Report, Part I., p. 293.

*Specific
instances
of loss of
income
from
farms.*

Mr. McCulloch, an eminent authority, estimated the consumption per head of wheat before 1850 and 1851, at eight bushels per head of population. The estimate of Mr. Porter was, from six to eight bushels. It is a common trick of free trade statisticians to assume a large increase in the consumption of wheat per head of the population, from the increased imports, leaving entirely out of their calculation, the decline in the home production; and attempting thereby, to make it appear that there has been an increase in consumption per capita, thus showing an improved condition of the English people.

Joseph Martin, tenant farmer in the Isle of Ely, in the Fen District, was examined and said:

I hold 2,300 acres, 500 of which are my own. It is impossible to say what have been the losses to the farming interests during the last eight years. The tenant suffered the most severely in the years of 1878-81; many were totally ruined, others crippled for life, all more or less experienced heavy losses, and it certainly shortened the days of several. I have no doubt that it caused three of my neighbors in the parish to commit suicide. During the last three or four years the landlords have made great reductions, even under the existence of leases, varying from 10 to 30 per cent, and frequently have only received the rent by instalments. I have known several instances in which receipts have been given in full for the year's rent, when no rent has been paid, considering it wiser to keep a tenant without rent than have the land on hand. In this parish, consisting of 17,000 acres, I consider the loss to the landlords alone in shape of rent is 20s. per acre. In the year 1874 the Earl of Hardwick had a sale, at which a piece of land was sold for £600, and a little more than five years since that land was resold for £300. My father sold a farm to the late Archbishop Musgrove, about twenty-five years ago, at £23 an acre, and last year it was sold for £5 an acre. I also have a statement of a farm of three hundred acres near Ely, which one family had had in their possession since 1823. A few years since £16,000 was offered for the property; for family purposes, however, it was mortgaged to the extent of £9,000. A few years ago it was sold for the sum of £5,200 and that was all that could be realized. There is an estate belonging to my sister which was let at 30s. an acre in the year of 1857. The lease expired in 1882; we could not let it except at 10s. an acre and even then could not let one farm and I have them all on hand now. I could tell you of innumerable instances here, farms formerly let at about 30s. have now come down to 15s. and 10s. One farm that my father had for fifty years and after his death I gave 30s. an acre for, is now let at 16s. an acre and good land too; there are thousands of acres which the landlords are occupying because they cannot let them.¹

John Coleman, manager of estates, was examined and said:

The enormous increase in the number of bankruptcies and settlements with creditors is quite sufficient evidence. Many more are hanging on whilst anything remains, taking all they can out of the land, and living to a large extent upon what should be the landlord's capital, namely, the resources of the soil.²

S. B. L. Druse, chancery barrister and secretary of the Farmers' Club, was examined and said:³

Then only the other day at the Farmers' Club we had a paper read on farm machinery, and the writer of that paper, an agricultural engineer, said "There, has

¹ Royal Commission, Third Report, p. 48. ² Id., p. 52. ³ Id., p. 64.

recently been a marked want of purchasing power in the agricultural world which has had a serious influence for the worse on agricultural engineering. In fact, the British farmer has had so little money to spend in purchasing new and reinstating old machinery that the home trade has practically gone to the dogs, and of late years the English engineers have had to look to foreign countries for their customers." There are individual cases of local traders in villages and small towns within my own knowledge, who have been absolutely obliged to give up their business entirely through the depression. The local trades people, more especially those in large towns, as well as blacksmiths, wheelwrights and others, in the villages whose principal customers were the farmers, had also suffered losses. The small village shopkeepers, whose principal customers were the laborers, had not suffered so much. Then again, clergymen have suffered very much, especially clergymen whose incomes were derived from glebes. Of course, if a clergyman has his income largely curtailed in that way, his expenditures would also be curtailed.

William J. Harris, farmer in Devonshire, was examined and said:

*Estimate
of loss
sustained.*

I have valued the produce of the farms of England and Wales. I do not include Ireland and Scotland, because I have only valued Ireland quite recently, and Scotland I have not yet finished. I have valued this produce on different conditions altogether from the valuations made by Sir James Caird and others, and I find that the produce of England and Wales at the current values of the past year amount to £120,000,000 sterling. My letter in the *Economist* newspaper on the eighth of August, last year, will show to the members of this Commission exactly how the valuation was made. I should reduce this valuation to £75,000,000 if tillage farming had in most part to be abandoned. Q. That is at the present prices? A. Yes, at the present prices. I do not look for any advance. Q. What should you say was the difference in value between the food produced in this country fifteen years ago and now? A. I calculated that there was about £40,000,000 worth more food produced in England and Wales alone from twelve to fifteen years ago, compared with what there is at the present time. I happened to have read Sir James Caird's evidence, and I see he puts the decrease at £42,800,000, compared with ten years ago. His valuation is really of the produce of the United Kingdom; in my valuation the difference would be rather more than Sir James Caird's.

Q. Do you consider that the depression in trade which is now said to exist is largely dependent upon this decrease in the value of our agricultural productions? A. Very largely. I believe that the production of £50,000,000 sterling from our own soil is equal in importance to the working classes to the export of £80,000,000 sterling worth of manufactures to foreign countries.

Q. Will you tell the commission in what way you make out this estimate? A. I consider that an export of £80,000,000 worth of manufactured goods would require an import of more than £30,000,000 worth of raw material on the average, and would, therefore, only leave £50,000,000 to the benefit of this country, whereas the production of £50,000,000 worth more food in this country would lead to the proceeds being spent in the country, and would, therefore, be equivalent to the other sum.¹

In estimating the effect of free trade on the country the decline in the value of land should be taken into consideration as well as the loss of profits and incomes. The following brief extract from the Fair Trade Journal shows the loss sustained by the nation in this respect:

According to statistics published by Mr. Giffen, the capital value of the land in the United Kingdom is 1691 millions sterling. This appears to be only its

¹ Royal Commission, Third Report, p. 81.

agricultural value, productions other than from the surface increasing the capital value considerably. In 1882 lands were valued at 1880 millions, so this shows a decrease of 189 millions occasioned by the ruinous competition with foreign countries in the grain supply, reduction of rents, unoccupied farms, and the increase of area laid down in grass for stock-raising purposes, which was formerly used for cereals, now imported and also at prices which would not compensate the British farmer for his outlay.¹

Conclusions to be drawn from the above testimony respecting agriculture.

"In proportion as a greater share of the capital of any country is employed in agriculture, the greater will be the quantity of productive labor which it puts into motion within a country. The capital which is employed in the trade of exportation has the least effect of any."² Stating it in another form, it may be said, in proportion as the capital of a country is withdrawn from employment in agriculture the quantity of productive labor put in motion will be diminished. It has been universally recognized that agriculture affords the best means of support and subsistence and is the most essential of all industries. From the earliest time the application of labor to land has formed the basis of production. A policy which had for its definite purpose the destruction of an industry so vast and important, could only operate to undermine the very basis of the wealth and prosperity of the country. The experience of the English people during the past forty years has demonstrated the advantages of agriculture, even in a country densely populated and in which tillage is carried on at greater expense than in foreign countries, having the advantage of new virgin soils. The early expressions of Mr. Gladstone, especially in the speech addressed to the Agricultural Society of Chester in 1858, shows that he gave assent to the free trade policy without correctly measuring its results. He said, "Whatever else may come and go, this at least we know, that no vicissitude of time or change can displace agriculture from the position it has ever held, and ever must hold, from the very first state of the generations of man until the last day of the crack of doom itself."

Mr. Gladstone spoke at a time when agriculture in England was brought to such a degree of perfection that the well cultivated fields and gardens attracted general attention. Ralph Waldo Emerson gave the following glowing description of rural England upon his visit to that country about 1850:

Contrast between the condition of agriculture before and after the adoption of free trade.

England is a garden. Under an ash-colored sky the fields have been combed and rolled till they appear to have been finished with a pencil instead of a plough. The solidity of the structures that compose the towns speaks the industry of ages. Nothing is left as it is made. Rivers, hills, valleys, the sea itself, feel the hand of a master. The long habitation of a powerful and ingenious race has turned every rood of land to its best use, has found all the capabilities, the arable soil, the quarry of the rocks, the highways, the by-ways, the fords, the navigable waters, and the new arts of intercourse meet you everywhere; so that England is a huge phalanstery, where all that man wants is provided within the precincts.

¹ Fair Trade Journal, Vol. VI., p. 590. ² Adam Smith's "Wealth of Nations," Book II, chap. 5.

What a contrast is presented by Sir James Caird and the other witnesses before the Royal Commission. In less than forty years of free trade millions of acres have gone out of cultivation. The land is half and poorly tilled and "is fast degenerating into prairie, while the powerful and ingenious race of husbandmen have been turned into unskilled and starving drudges in the towns, or paupers in the work-house." The sturdy yeomanry, from which England's armies were recruited and which so long formed the pride and stability of the realm, have either been reduced to a most miserable condition, or have been driven to other countries to seek habitations where governments respect men and have regard for the welfare of their own citizens. England alone places a premium on emigration; she alone seeks to drive out her defenders. When free trade was adopted, the Manchester manufacturers made their choice between free trade and the rural population. The loss of rural population has deprived them of their best customers, and now they are complaining of the poverty of their buyers at home. An Australian newspaper, in speaking of the policy of the English government, said:

The mother country offers a premium for national decay, and sedulously cultivates the dry rot of greed, which makes money take the place of men, and which crowds the sinewy peasant out of the land to make room for the stunted cotton spinner; . . . and as she sows the wind so she will reap the whirlwind. The gradual extinction of the producing classes of Britain must inevitably end in the bottomless pit of national ruin. There is not room in this world of strife and aggression for a nation of shop-keepers.

Purely on a basis of national economy, independent of humane considerations, the destruction of English agriculture has proven most unwise. The yearly consumption of about \$600,000,000 of agricultural produce which might be raised on English soil, is an absolute loss of that amount to the United Kingdom. Deducting the proportion which would go to the government in tax rates, at least \$500,000,000 would be added to the spendable income, and increase the purchasing power of the English people. Were this vast sum annually added to the produce of the soil of the country, it would increase the value of real estate, induce improvement, and thereby add to the permanent wealth. Local merchants, mechanics, farm laborers, tenant farmers and landowners would be made prosperous. The purchasing power of the nation so enhanced, would improve the home market for every consumable commodity and impart life and vigor and prosperity to every workshop and factory in the Kingdom. Mr. William J. Harris uttered a sound economic opinion when he stated before the Royal Commission that he believed that the production of \$250,000,000 of food in England was equivalent to the production of \$400,000,000 of manufactured goods to the working classes, estimating at \$150,000,000 the sum expended for the production of raw materials to sustain manufactures, and considering the fact that the profits derived therefrom are divided

*Neglect of
agriculture
a serious
economic
blunder.*

Home production, if properly directed, sufficient for home demand.

among so few. It should be borne in mind that the exports from England of the three great branches of manufacturing in 1890, were as follows: Cotton, \$297,641,943; woolens, \$94,619,000; iron, \$193,000,000. Total, \$585,260,943. This is less than the imports of competing agricultural products. The ability of the English people to produce at home sufficient farm product to feed their own people under proper regulations, cannot be seriously questioned. The example afforded by France, Germany, Belgium and Holland, in sustaining agriculture by a system of protective tariffs, furnishes a complete answer to those who question the proposition. France is one of the greatest agricultural countries in the world, standing third in the production of wheat. The large amount of agricultural produce imported into England from the Continent each year shows conclusively what might be accomplished in England by giving the same protection and encouragement to the industry as has been accorded by those countries. Upon this proposition the Fair Trade Journal quoted the opinion of Mr. Mitchell as follows:

Only two years ago Mr. Mulhall told us in his "Few Years of National Growth" that "with the growth of population the ratio of imported food" (which he estimated at 38 per cent of our total consumption) "must increase, not that the United Kingdom could not produce food for forty or fifty millions of people, but that *agriculture is so costly and unprofitable an industry that it is neglected for other pursuits.*" One of the main contentions of that most misleading article is in the words of Mr. Mulhall himself, "that the more we import the cheaper is food and so much the better fed are the working classes," a doctrine, the logical conclusion from which would seem to be that the sooner British agriculture perished, the better for the nation! This doctrine, however, which has been loudly enough proclaimed by prominent free traders, would seem to have been somewhat discredited of late, since even the Cobden Club has, we are told, begun to take thought for the interests of agriculture.¹

The following table gives the area and population of the United Kingdom, compared with six of the United States, from which the reader will form a clearer idea of the proportionate size of the United Kingdom. The population of the United Kingdom is given for 1891, and the States for 1890:

	Year.	Area in Sq. Miles.	Population per Sq. Mile.	Population.
Great Britain, Ireland, Isle of Man, and Channel Islands, }	1881 1891	120,979	291.3 315.0	35,241,482 38,104,975
Massachusetts, ...	1890	8,040	278.5	2,238,943
New York, ...	1890	47,620	126.0	5,997,853
New Jersey, ...	1890	7,455	193.8	1,444,933
Pennsylvania, ...	1890	44,985	116.9	5,258,014
Delaware, ...	1890	1,960	96.0	168,493
Maryland, ...	1890	9,860	105.7	1,042,390
Total six States, ... }	1890 1880	119,920 }	134.7 111.4	16,150,626 13,361,514

¹ Fair Trade Journal, Vol. IV., p. 4.

Of this area in the United Kingdom the land is divided as follows:

	England.	Wales.	Scotland.	Ireland.	Total United Kingdom.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Arable, ...	77.0	60.0	25.0	72.0	61.7
Woodland, ...	4.8	3.5	4.5	1.6	3.8
Unimproved, ...	18.2	36.5	70.5	26.4	34.5
Total, ...	100.0	100.0	100.0	100.0	100.0

While under improved methods of cultivation, the soil of every country on the inhabitable globe is being made to increase in its yield, the yearly production of the United Kingdom is declining. While the land is being neglected, England counts among her exports in 1893, manure to the value of \$11,547,105. Instead of buying fertilizers and attempting to keep the soil up to its former richness, it is permitted to grow poorer and less productive. The results which have followed free trade have more than justified the wise and patriotic action of Disraeli, Lord George Bentinck, the Marquis of Granby and their associates, who so ably defended the cause of protection against the frenzy and imbecility of the Anti-Corn Law League.

GENERAL TRADES.

The limits of this work will not admit of a full treatment of the evidence given before the Royal Commission, showing the universal and widespread results of free trade in England. Sufficient facts, however, have been presented relating to the chief industries of the country, to satisfy the reader that there is scarcely a department of production exempt from the downward tendency which the parsimonious policy of "cheapness" has brought to the country. The following evidence, relating to general trades and business, is added to that heretofore quoted.

Henry L. Muller and William Wiley Lord, representing the Chamber of Commerce of Birmingham, general merchants and exporters, said on examination:

A considerably smaller number of guns are now produced in Birmingham, in fact, military trade is almost nothing to what it was. Most of the governments that Birmingham used to supply make their guns themselves now; they have laid plants down of their own. I am speaking of military guns, small arms.

(Mr. Lord.) Those are largely manufactured by gigantic establishments in the United States, but sporting guns are still made largely in Birmingham. Guns that would be used by sportsmen, as of the higher class, and in other case of guns that are exported of small value, £1 each or 15s., or something like that; those largely

*Effects of
free competi-
tion in
gun-
making.*

go from Belgium in the present day, and the demand for ours have fallen off in consequence of the Belgian competition for the commoner kinds. Q. Have the Belgians any natural advantages for making guns, which they could compete with the English? (Mr. Lord.) A. It is a matter of cheap labor. I attribute the falling off in trade to the duties imposed by foreign countries. Foreign tariffs have generally injured the Birmingham trade most decidedly, for instance, in Spain. Q. You spoke did you not, of the American entering into competition with guns? A. No, not competition. I say in order to supply their own wants. There is American competition in guns. The American competition in small arms is more a question of terms.

Belgium and the United States are protective nations, this fact has not prevented the development of competition which has been injurious to us. Both Belgian and American guns and small arm makers, have succeeded in quite equaling us, and quite beating us; but under the protective system they have not been prevented in any way, in my opinion, from competing with us. There is great competition in home trade and neutral markets, in such articles as wire, nails and buttons from Germany. The Germans beat us in those articles in the home trade, for price; and yet, the Germans have adopted protection, in no respect has it weakened their competition. In my opinion, it has improved their position, because it enables them by the duties that are launched against foreign competition to send their surplus productions to this country, and to sell them at a less rate than the majority of their productions are sold at home. The effect of the protective system, which has placed them in command of their home market, has enabled them to sell the surplus of their productions at lower prices and to strengthen their competition with us in neutral markets. The trade with Germany has been decreased owing to the improved workmanship on the part of the Germans. I attribute it to the general advance of manufacturing in Germany. I was there about a month ago, and various things were shown me that they now make in Germany, which they formerly used to import from England.¹

George Gribble, representative of Messrs. Cook, Sons & Co., dealers in all classes of goods that are used for the clothing of men, women or children—all textile fabrics, cotton, woolen and silks, was examined and said:

*Falling off
in home
production
of textile
fabrics.*

If I might be allowed to say so with respect to our woolen dress trade, whereas at one time the bulk of the goods that we sold for ladies' dresses was made in this country, now by far the larger portion come from France and Germany. We have an English woolen dress department, and a French woolen dress department, which also includes Germany for woolen goods. Whereas our English department used to be by far the larger of the two, our foreign department is now quite four times as large as the English department, and the same remark will apply to ribbons. At one time we had an English ribbon department, and a French ribbon department, but we found that the English ribbons would not compete with the foreign ribbons, and we have now done away with our English ribbon department altogether, and the bulk of our ribbon trade is done in foreign ribbons now. And the same remark will apply to knit woolen goods, which are largely made in Leicester, and which, at one time, we used to buy in Leicester, and now the whole of those goods come from Germany. We find that they can be brought from Berlin to London almost at the same price per carriage as it would cost to bring them from Leicester. Of course the French and Germans compete very much with us now in the colonies, for the same reason that they do in this country, because they make more suitable

¹ Royal Commission, Second Report, Part I., p. 15.

goods, and also because they are cheaper. There are a great many goods that we make in this country a great deal better than the French and Germans do. We have thirty departments in our warehouse, and I can only point to five in which the French beat us. They are ribbons, silks, woolen dress materials, knit goods and gloves.¹

It is then, in those goods in which the largest amount of labor enters that the French and Germans, by reason of lower wages and longer hours, are able to outstrip their English rivals.

The following brief extracts taken from reports of Chambers of Commerce and Commercial Associations, to the Royal Commission on Trade and Industry, touching certain trades which have not been referred to in the evidence quoted, and also supplementing what has already preceded with additional facts, embrace all the information from such sources that the limited space devoted to this division of the subject will permit.

*Testimony
of the
Chambers
of Com-
merce.*

Exeter—Chamber of Commerce. Paper trade.

The principal, in fact the only cause of the decline of the paper trade is foreign competition. The depression has since 1875 been uniform. No profit whatever is now got from a great portion of the trade. There are thirteen paper mills now left, as against fifteen in 1870. The Factory Act affects the paper trade injuriously in competition with the foreigner, as we lose twelve hours a week as compared with him. Fall in prices is due to foreign competition.²

Glasgow—Chamber of Commerce. Memorandum of Mr. Stephens Mason.

Machinery, both spinning and weaving, has been largely exported from this country to the Continent. In many instances the same class of machines are run there, twelve, fifteen and twenty-two hours per day, against that of nine hours in this country, thus rendering it utterly impossible for the home manufacturer to compete successfully either in neutral markets abroad, or even at home, against the free importations from the Continent.³

Yet this is the sort of competition the free traders of the United States would compel American labor to meet.

Huddersfield—Chamber of Commerce. Woolen and worsted manufactures, dyeing and finishing. Cotton spinning and doubling. Woolen yarn spinning. Chemical manufactures and machine making. Letter of Mr. Charles Moon.

Answer to Question 10. As proof of the deplorable state this trade has been in for the last ten or fifteen years, we must respectfully beg to inform you, we hold a list of over fifty firms of spinners who have been ruined and brought into bankruptcy court during that period. This list can be produced for your perusal if required. The sole cause, we think, of the unprofitableness in the yarn trade is brought about by the large imports of foreign yarn, which is monthly increasing and gradually beating down the home spinner in our own markets. While we are debarred by high tariffs from exporting coarse yarns, our machines are eminently adapted for producing cheaply. The foreign spinner comes here, in times of depression, and realizes

¹ Royal Commission, Second Report, Part I., p. 135.

² First Rep., Appendix A.

³ Id.

his yarns at under-cost of production, to the great loss and embarrassment of the home spinners.

We also wish to bring before the notice of your council, the large and ever-increasing importation of yarns spun in Saxony, and known by the name of "Crisp" and "Imitation." This class of yarn appears to be imported as largely as wool yarn, but there appears no classification of these yarns, in the returns published by the board of trade, a state of things, we think, which ought to be remedied.

Another proof of the very serious state of trade here is to be found in the depreciated value of carding and spinning machinery. Good machines, and for all practical purposes, equal to new, if brought into the market, will only realize some 30 or 40 per cent of their cost price. Mill property is also in a similar position. One noted firm of spinners here has recently bought 40,000 or 50,000 pounds of German yarn, while their own spinning machinery is standing. We, therefore, think you ought seriously to take into considerations those facts when framing your replies to the questions sent you to answer by the Royal Commission on Trade Depression.¹

Liverpool—Answers by representative watch manufacturer:

Watch manufacturing was formerly of special importance; it is now of very little importance in Liverpool. Thirty years ago the amount of capital invested was probably £200,000 to £300,000. Probably 1800 operatives were employed in the various branches. At present I do not think there are two hundred, mostly old men and (none or) few apprentices being taken. The bulk of the operatives before dying suffered greatly, became casual dock laborers, and entirely sunk in the social scale.²

Under a free trade maxim they were to find employment in some more profitable industry. This furnishes an admirable illustration of the actual operation of free trade. It shows how difficult it is to transfer artisans from one trade to another, especially under excessive competition to which all industries are subjected by the over-production which is taking place in all branches of trade.

Thirty years ago four-fifths of the large number of watches made in Liverpool was exported to the United States—this trade has been entirely killed by the increased American tariff. In fact, it may be said that, whatever an English watch can be sold for abroad, it is thus excluded or crippled, while the home market is flooded with American and Swiss surplus stocks. It began when the United States seriously raised their tariff, and is at its lowest point now, if it does not go any lower.

Manchester—Cotton industry. The great and rapid increase in production of manufactures of other countries, which formerly were supplied by Great Britain, is shown by the following evidence:

"Increased competition at home and abroad, in every market, a much larger number of firms or distributors, more sellers, but few buyers." The failure of British Colonies and foreign States to support the free trade policy of Great Britain. The system entirely broke down on one side. . . . Under such conditions, we hold that a system which has now had twenty-five years' trial,

¹ First Report, Appendix A. ² Id.

and which has in certain occupations been so detrimental to many thousands of artisans and traders should at least be thoroughly investigated.

And unless vast numbers of industrious artisans must of necessity be sacrificed for the advantage of the country, their unfortunate and unmerited position should lead to some change in the relation of customs duties, that shall give a fair field for the industry of loyal citizens, who have not done anything to forfeit the consideration and good will of their fellow countrymen.

Carriage Building.

Foreign carriages and harness brought into England duty free, in direct competition with English manufacturers.

Sheffield.

The coal trade, the iron trade and products thereof, the steel trade and products thereof, including files and saws, the cutlery and edge tool trade, the silver, electroplate, and Britannia metal trades. Foreign competition is also a serious matter in most of the trades carried on in this district. Formerly a most lucrative trade was carried on with the United States, which drew very large supplies from this district. The duties, however, which have been placed upon these goods have, for the present at any rate, extinguished the trade, except where great excellence of quality renders the cost no object.

From Germany the lowest quality of goods made in this district have been almost entirely shut out by duties, and the same remarks apply to France, to Spain and to Italy.

Leather Trade Association of London.

A very considerable falling off in production, particularly from 1880 to 1885, both in volume and gross value; profits almost nil; great diminution in capital employed and employment of labor. The imports of tanned leather increased steadily from 1866 to 1884; in 1866, 76,487 cwts. to 686,393 cwts. in 1884, while exports have only increased from 38,900 cwts. to 177,484 cwts. Take raw hides during the same period, and we see the following results: In 1866 we imported 1,056,643 (less re-exported 218,929), 837,714; in 1884, 1,217,744 (less re-exported 481,954) 735,793. This shows that our tanners are working in about 102,000 less raw hides than they were twenty years since. This, taken in connection with our own large increase in population, and the increase and development of our colonies and other markets, proves how much of the trade of the world is slipping away from us.

*Depression
of the
leather
trade.*

Foreign competition. The imports of finished leather of all descriptions have increased rapidly since 1880, and exports have not increased, thus showing how much we have to complain of in foreign tariffs. We could hold our own against all competition and sell in all markets were these ports as free to the English leather as ours are to foreign. Secure us free ports, or allow us to supply ourselves. There are causes at work that affect the trade, viz., higher wages than the Continental workmen get, and shorter hours of labor, and excessive rates in taxes, through our sanitary laws being more severe. The results are, of course, beneficial to the community, but they none the less operate in favor of increasing the cost of production.¹

The reports of the Chambers of Commerce, and of the associations of business men from the cities and industrial centres of the United Kingdom,

¹ Royal Commission, Second Report, Part I., p. 412.

*Summary
of causes of
depression
of trade.*

representing the various branches of productive, distributive and commercial industries and callings, were of the same import as the evidence quoted. The universal opinions expressed were to the effect that three causes were operating to undermine the industries of the country:

1. Foreign tariffs under which nations are building up and maintaining manufacturing industries, which supply their own market to the exclusion of British goods.

2. Foreign competition in neutral markets.

3. Foreign competition of agricultural products, and fully or partly manufactured goods in the home market.

The commission submitted Majority and Minority reports to parliament, together with the individual opinions of members who dissented from certain paragraphs of the reports, and upon some questions involved gave their individual opinions. One fact of great importance was concurred in by all members of the commission. It was conceded, that the condition of trade and industries disclosed by the evidence arose from no exceptional or temporary depression. The Minority Report states, "that it has arisen in the main from causes which appear to us to be of not a temporary, but of a permanent character."

The witnesses were not describing calamities which have befallen their industries by a temporary panic or crisis, arising from over-speculation and over-trading, but from causes which have appeared under that system of free imports which has exposed every branch of production to the assault of strong and powerful competitors on the Continent. An examination of the records of the Board of Trade discloses the fact that, as imports of agricultural produce fully and partly manufactured, goods have increased, the depression has been intensified and the pinching hard times have been more severely felt. That portion of the Minority Report which points out the classes of people affected by the industrial revolution which is taking place, is most significant of the future of the United Kingdom as a producing country. It reads as follows:

*Classes not
affected
by the
depression
of trade.*

33. The classes who enjoy fixed incomes, or incomes derived from foreign investments, or from property not connected with productive industries, appear to have little ground of complaint; on the contrary, they profit by the remarkable cheapness of commodities.

Those who are engaged in the import trade, find little, if any, contraction of its volume, though they have suffered from the continuous fall of prices.

Those engaged in the retail distribution of commodities, whether of home production, or manufacture, or imported, make little complaint, except in specially depressed districts; they have, indeed, in many cases been able to realize very full profits, in consequence of the extremely low prices at which their wholesale purchases have been made.

34. There are many evidences that a large accumulation of capital has been in progress even during the period of depression.

In a country possessing vast foreign investments, and a great international buying, selling and carrying trade, this may well happen, whilst the earnings of

its industries and the employment of its population are either stagnant or positively declining.

But the diminished value of real estate, and of industrial investments, and the loss of capital sustained by farmers and other traders, must be set off against the accumulations from other sources, before any accurate judgment can be formed as to the increase of the aggregate wealth of the country.

35. The complaints proceed chiefly from the classes interested in production :

*Producers
the chief
sufferers.*

1. From the owners of agricultural land, and of works, buildings, or mines, who have suffered a great reduction of income, and a serious diminution of capital value of their property.

2. From those who conduct productive industries, such as farmers, manufacturers and those engaged in the mining and building trades. These all complain of the restriction or total absence of profit and in many cases of a contraction of demand which enforces upon them a reduced and therefore more costly production.

3. From the artisans and laborers of whom considerable numbers in some districts are entirely unemployed whilst a much larger number have only partial or intermittent work in consequence of which their actual earnings are greatly diminished, though there has apparently been no general or considerable reduction of the rate of wages.

36. The losses both in the shape of reduced income and diminished value of principal which have been suffered by the owners of property are so completely a consequence of the unprofitableness of the industries for which their property serves as a basis that it would be useless to consider them separately. Their amount is, however, as distinct and disastrous a diminution of the wealth and wages fund of the nation, as the like loss suffered by any other class would be.

39. The relative decline of some of our greatest national industries during the past ten or twelve years in proportion to the population of the country, is shown in many ways in the figures which have been placed before us, and in the evidence we have received :

*Decline of
employment
relatively to
population.*

1. In the progressive decline of agricultural employment, and of the condition and production of the soil.

2. In the marked cessation, during the same period, of the wonted increase in the proportion of our population employed in textile manufactures.

3. In the diminishing proportion of the world's production of cotton, wool, flax and silk, which is manufactured in this country.

4. In the increased value of our imports of finished manufactures during a period in which (a) prices have fallen very greatly; (b) the value of our exports of the like articles has seriously declined; (c) a large amount of labor and machinery in this country suited to their production has remained unemployed or only partially employed.

5. In the increasing proportion of our exports which consists of coal, steam engines and machinery; and the diminishing proportion which consists of finished manufactures, which not only require coal, steam engines and machinery for their production, but much valuable skilled labor besides.

Referring to the effect of tariffs in foreign countries the report says:

123. Nor can any efforts of producers, however intelligent or energetic, lessen these difficulties; for every improvement made by them is at once appropriated by their protected foreign competitors, through the purchase of English machinery, and the engagement for a time of English superintendents.

On the contrary, it is inevitable that any industry which is engaged in a hopeless struggle against insuperable difficulties, must sooner or later fall into a condition of languor, and of decreasing ability to meet competition. Those engaged in

it lose heart and hope; capital and talent are gradually withdrawn from it; and as it offers reduced remuneration and a diminished prospect of advancement to skilled labor, the quality of the labor employed in it tends continually to decline, and its productions deteriorate.

124. The depression, then, so far as it arises from the permanent and growing causes just named, cannot fail to recur, after each interval of relief, with equal or increasing force; and this must be endured, unless the nation shall determine to counterwork by active measures the disturbing influences which are artificially produced by foreign legislation.

*No remedy
to be
obtained
under free
trade.*

The commission was divided in stating its opinions upon the remedies which should be adopted to cure the existing evils from which the productive industries of the country were suffering and to restore internal prosperity. The Minority Report recommended a return to a protective tariff, while the free trade members of the commission in the Majority Report, still adhered to the policy of free trade; yet in framing paragraph 82, they distinctly repudiated the doctrine of free trade in the following language:

As regards the future, should any symptoms present themselves that foreign competition is becoming more effective in this respect, it must be for the country and the workman himself to decide whether the advantages of the shorter hours compensate for the increased cost of production or diminished output. We believe that they do and on social as well as economical grounds, we should regret to see any curtailment of the leisure and freedom which the workman now enjoys. No advantages which could be expected to accrue to the commerce of the country would, in our opinion, compensate for such a change.

The evidence given before them, of the calamities which had been brought to the laboring masses by Mr. Cobden's policy of "cheapness," was so appalling that the sense of justice of every member of this important official body, was aroused with the exception of one. The grinding-down process which forms the economic basis of the theory of free trade, is such an important element that Bonamy Price, the eminent free trade economist, who was a member of the commission, dissented from the paragraph quoted, in the following language:

I beg to express my dissent from paragraph 82. It contains a specific repudiation of the great doctrine of free trade. Shorter hours of labor do not, and cannot, compensate to a nation for increased cost of production or diminished output. They tax the community with dearer goods, in order to confer special advantages on the working man. They protect him, and that is a direct repudiation of free trade. The country is sentenced to dearer and fewer goods.

This declaration of Professor Price is a confirmation of the opinion of those believing in the doctrine of protection, that the practical operation of the principles of free trade is inimical to the laboring masses, having for its specific purpose the maintenance of the lowest possible wage scale, in order to assure cheap production.

While sufficient proof is found in the evidence of manufacturers, business men and laborers, and in the reports from the various organizations

presented to the commission to condemn Cobdenism, the specific question of the relative benefits which might be derived from protection or free trade was evaded, so far as possible, by the free trade members who controlled and directed the action of the commission. That this was purposely done, there is not the slightest question. It has been the design of the Cobden Club and the advocates of free trade in recent years so far as possible to cover up and misrepresent the real causes which are operating to undermine the industries of the country. The failure to specifically direct the investigation which was held, to economic problems, was charged by the *Fair Trade Journal* to be a part of the free trade plan. Members of the Cobden Club and the representatives of the free trade party refused to participate in the investigation and expose the policy to a vigorous attack by protectionists. The *Fair Trade Journal* on June 4, 1886, said:

Lord Derby, speaking as chairman of the Cobden Club banquet in 1882, said in effect "That we must by all means avoid even an examination into the working of our fiscal system for fear foreign States should imagine that we entertain doubts." Mr. Gladstone, in his famous speeches at Leeds in 1881, gave expression to the same sentiment. Mr. Mundella in the House of Commons, and if we mistake not, Lord Granville in the House of Lords, and various other Liberal politicians have, on different occasions, re-echoed the same notion. The refusal to join in the Royal Commission on Trade was only the outcome of this feeling.¹

¹ Vol. I, p. 266.

CHAPTER VI.

THE FREE TRADE POLICY A FAILURE.

To illustrate the growing discontent with the free trade system the following quotations from the writings and speeches of eminent Englishmen are given:

*Recent
expressions
of opinion
by promi-
nent En-
glishmen.*

Free trade has produced exactly the effect that was prophesied in 1846, both on trade and agriculture. *That is to say, free trade for years succeeded because it failed, and is now failing because it has at last succeeded.*—E. S. Cayley.

Our free trade friends attribute our commercial advance in former years to free trade. To what do they attribute our commercial decline at the present time?—Digby W. Cayley.

I am a rabid fair trader, a protectionist if you like, because the work-people of this country are starving in the streets, undersold by foreign labor.—Mr. Cunningham Grahame.

With regard to free trade, they had the old nostrum trotted out, that they should buy in the cheapest markets, regardless of consequences. If this absolute cheapness were good, then let them import Oriental labor, let them encourage the sweating system, and approve of the slave trade.—George Shipton, President Trades' Union Congress, 1888.

In case of war, no navy in the world can protect the huge stream of food which pours every day into this country.—Admiral Close, February, 1889.

There can be no doubt that we are suffering from the operations of foreign tariffs. Let us boldly say that if these duties continue, England will have to retaliate.—The late Samuel Morley, when M. P. for Bristol.

It is a marvel the people of England have submitted to free trade so long, and it will not be long before there will be a marked change.—Lord Carnarvon, in Australia, 1887.

Great as are the benefits of cheap food, they must be weighed against the disadvantages of paralyzing, more or less, the greatest of our home industries.—Lord Armstrong.

He would go so far as to say that should the system of foreign export bounties be continued any further, he would, as the remedy, meet such unfair competition by means of countervailing duties.—Mr. Wilson, M. P.

In a few years the question of protection in England will be one of the most burning questions with which they have to deal.—Lord H. Bruce, M. P.

What Mr. Gladstone considers the discipline which the Almighty has appointed for us, Carlyle, *with deeper insight* regards as a voice of earthly profit and loss. "We have," he says, "Hell in England—the hell of not making money. We coldly see the all-conquering sons of toil sit enchanted by the millions in their Poor Law Bastile, as if this were nature's law—mumbling to ourselves some vague janglement of *laissez faire* supply and demand, cash payment the one nexus of man to man: free trade, competition, and devil take the hindmost, our latest gospel yet preached."—Fair Trade Journal, Vol. VI, page 50.

I have believed in free trade all my life, but my fear is that it will not last. It prospered when all its conditions were in our favor, but this does not prove that it will prosper when the conditions are extensively changed.—Cardinal Manning.

This question of the protection of the industries of Ireland is one of vital importance for the nation. We have to consider the interest of the artisans of the towns and of the laborers in the country, and, as I have already stated, it is my firm belief that it will be impossible for us to keep this portion of the laboring classes at home and in comfort without protection to Irish industries. It is a problem which requires the utmost exertion on our parts to solve. The life of Ireland is dependent upon the preservation of her bone and sinew. Our population has diminished at the rate of a million a decade during the past forty years; it is time that it should be put a stop to, and that it should be possible for the laborers, the artisans and mechanics of Ireland, to live, thrive and prosper at home.—Charles Stewart Parnell, as reported in the Dublin Freeman's Journal, of August 22, 1885.

*Attacks on
free trade.*

Turn your eyes where you will, survey any branch of English industry you like, you will find mortal disease. The self-satisfied Radical philosopher will tell you it is nothing; they point to the great volume of British trade. Yes, the volume of British trade is still large, but it is a volume which is no longer profitable. It is working and struggling: so do the muscles and nerves of the body of a man who has been hanged, twitch and work violently for a short time after the operation. But death is there all the same, life has utterly departed, and suddenly comes the *rigor mortis*. Well, with this state of British industry, what do you find going on? You find foreign iron, foreign wool, foreign silk, and cotton pouring into the country, flooding you, drowning you, sinking you, swamping you; your labor market is congested, wages have sunk below the level of life, the misery in our large towns is too frightful to contemplate, and emigration or starvation is the remedy which the Radical offers you with the most undisturbed complacency. But what produced this state of things? Free imports? I am not sure. I should like an inquiry; but I suspect free imports of the murder of our industries, much in the same way as if I found a man standing over a corpse and plunging his knife into it. I should suspect that man of homicide, and I should recommend a coroner's inquest and a trial by jury.—Randolph Churchill, Blackpool, 1884.

The only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities is, to impose corresponding revenue duties on theirs.—John Stuart Mill's "Principles of Political Economy," Book V.

I know Canada; you do not. I know the marvelous change which has occurred since she adopted a protective tariff; the proposals of the Fair-Trade League to have free trade with our colonies and dependencies, and protection against the rest of the world, were in the highest sense patriotic.—Sir John Macdonald, Prime Minister of Canada, when waited on by Manchester free trade advocates, during a visit to England.

Just as Mr. Bright now piles up his abusive epithets, so in former days the free traders piled up their profuse prophecies.—Pall Mall Gazette, November, 1887.

*Injurious
effects of
free trade.*

It is a striking fact that during the past twenty years, 67 per cent of our emigrants have gone to the (most protected country in the world) United States, and only 27½ per cent to our own colonies.—Final Report of the Royal Commission, p. 66.

We are obliged to govern our wages and our cost under the influence of foreign markets. I am quite satisfied that in a trade that had to contend with foreign competition fluctuation of wages were absolutely necessary. We had the modern glove trade. It has gone to Germany, and we have no glove trade left. The result was that the glove hands came down to nearly half what they formerly had. They

made for 3*d.* what they used to make for 2*s.* 3*d.*, and then they could get no employment, and the trade has nearly died out. That was not a satisfactory state of things and one could hardly blame an individual who took advantage of the outrageous license afforded by the working classes of their own country, and who in 1863 established "a factory in Saxony, where we employ 700 Germans." It was not fair-trade for a man to take Nottingham looms to the Continent to be worked by foreigners, and the produce to have free access to the Nottingham market just as if the work had been done in Nottingham.—Vincent.

The rage for manufacture and commerce at the expense of agriculture is a disease which has been the eventual ruin of every nation that has suffered from it. Nor can we hope to escape the consequences of its deadly ravages, unless by retracing our footsteps before it is too late.—Reynold's Weekly Newspaper, September 16, 1888.

It is all very well to be the storehouse of the world, and even its carriers, but the basis of our living, as a people, should be found in agriculture and the home trade. The great industry of agriculture is slowly, but apparently surely, dying of inanition and exhaustion, while our genuine home trade is being cut down, if not killed, by foreign imports.—Kemp's Mercantile Gazette, February 29, 1888. *✓*

If a really serious war broke out, in which one or more of the great naval powers endeavored to intervene between ourselves and the sources of our food supplies, there would be a famine in this country in a week. This is a fact which has never sufficiently impressed itself upon the imaginations of the English people, or upon the intellects of our statesmen. But it is a fact, nevertheless.—Shipping Gazette, 1889.

*Statistics
of British
trade.*

The opinion expressed by the Royal Commission in its report to parliament in 1886, that the depression in trade and industries was due to no exceptional or temporary causes has been confirmed by the experience of recent years which have followed. That system of free trade, or free imports, which in 1885 was sapping the vitals of British industries, was the essential cause of the loss of profits, reduced wages, lack of employment and universal stagnation in business. Since 1885 the increase in the imports of competing commodities which has taken place has intensified the suffering which to such an extent prevails among the masses of the people. It has prolonged and made more severe that life-and-death struggle which has been raging in every branch of productive industry, since the effect of free trade began to be felt.

Notwithstanding the brazen tricks which have been played with figures and statistics by members of the Cobden Club, the truth can no longer be suppressed; the world can no longer be deceived by those statements which have been put out proclaiming the prosperity of the United Kingdom and the benefits of free trade. They have persistently exhibited the large imports and exports of the country as an evidence of its prosperity. After piling up long columns of figures showing the external trade of the country, they at once concluded that this of itself proved their case. Such arguments can only deceive those who have failed to study the character of the trade embodied in the imports and exports. A year of good trade is often compared with a year of bad trade, and the result put out as an indication of industrial growth.

The writer has compiled an analysis of the external trade of the country, from the official returns of the statistical department of the government. Great care has been exercised in classifying and preparing the several tables and the closest scrutiny of their accuracy is invited. The amounts are reduced to United States money for convenience, reckoning a pound sterling at \$5.00; a pound sterling in fact representing about \$4.86 in United States coin. The figures for the years 1836 and 1846 were taken from Macgregor's Commercial Statistics, compiled by him from the official records of the government, he, having been for many years, a member of the statistical department.

The tables which show a classification of the imports and exports are numbered from twelve to twenty-two, and will be found at the close of this chapter.

Tables of imports.

The articles imported are classified under two heads; (1) Competing imports, or the imports of those articles of the produce of foreign countries, the like of which might be produced in the United Kingdom. (2) Non-competing imports, or those articles the like of which cannot be produced in the United Kingdom. Competing imports are classified as follows:

Table No. 12 shows the agricultural produce of foreign countries, consumed by the English people in 1836, 1846, 1856, 1860, 1865, 1870, 1875, 1880, 1885 and 1890.

Table No. 13 shows the fully manufactured articles produced in other countries imported and consumed by the English people, in each of the years named.

Table No. 14 shows the imports into England of partly manufactured articles, retained for home consumption, in the several years.

The non-competing articles are set forth in the following tables for the years stated.

Table No. 15 enumerates the imports of raw materials imported for home consumption.

Table No. 16 specifies those food products, the like of which cannot be grown in England, and,

Table No. 17 gives a list of the imports of dutiable articles.

For the purpose of bringing before the reader a clearer statement of the importations of the United Kingdom during the years mentioned, a summary (Table No. 9, page 304), is here presented of the several tables of imports named above, together with the percentage of increase of the various classes from 1870 to 1890. This table (9) also shows total imports, re-exports and amounts retained for home consumption. It has been the constant boast of free trade writers, that the imports into the United Kingdom had more than doubled between 1860 and 1890. The purchase by the English people in 1890, of \$2,103,000,000 of the produce of other countries, discloses a vast foreign trade in importations.

TABLE No. 9.

Increase
of imports.*Schedule Showing a Summary of Imports for Home Consumption into the
with Total Imports and Re-exports of Foreign and Colonial Produce*

	1836.	1846.	1856.	1860.
COMPETING IMPORTS.				
<i>Schedule No. 12.</i>				
Total imports of agricultural produce, ...	\$ 6,996,135	\$ 29,331,160	\$157,565,450	\$220,361,370
Total imports of agricultural produce re-exported, ...	2,752,910	1,467,975	2,431,570	768,290
Total imports of agricultural produce retained for home consumption, ...	4,243,225	27,863,185	155,137,070	219,592,085
<i>Schedule No. 13.</i>				
Total imports of fully manufactured articles, ...	8,062,815	14,731,710	48,772,900	59,747,320
Total imports of fully manufactured articles re-exported, ...	3,722,425	5,785,260	13,072,455	9,713,935
Total imports of fully manufactured articles retained for home consumption, ...	5,037,510	8,946,450	42,917,475	49,354,900
<i>Schedule No. 14.</i>				
Total imports of partially manufactured articles, ...	1,807,040	5,150,265	62,380,685	70,093,635
Total imports of partially manufactured articles re-exported, ...	1,849,265	2,203,855	7,523,730	10,937,860
Total imports of partially manufactured articles retained for home consumption, ...	1,209,620	2,948,795	54,856,955	60,672,325
NON-COMPETING IMPORTS.				
<i>Schedule No. 15.</i>				
Total imports of raw materials, ...	134,409,635	144,003,145	378,963,355	483,472,085
Total imports of raw materials re-exported, ...	6,823,285	28,764,835	52,331,770	87,502,570
Total imports of raw materials retained for home consumption, ...	127,618,365	115,874,000	327,859,690	395,969,515
<i>Schedule No. 16.</i>				
Total imports of food products, ...	35,593,610	45,287,315	78,409,745	76,615,000
Total imports of food products re-exported, ...	7,493,285	7,258,855	10,430,415	7,937,355
Total imports of food products retained for home consumption, ...	29,590,720	38,705,405	68,184,110	68,677,645
<i>Schedule No. 17.</i>				
Total imports of dutiable articles, ...	44,490,380	56,172,875	83,788,295	95,446,990
Total imports of dutiable articles re-exported, ...	14,024,725	11,953,310	21,785,785	21,323,600
Total imports of dutiable articles retained for home consumption, ...	31,472,425	44,219,538	62,002,510	74,123,390
SUMMARY.				
Total competing imports, Schedules Nos. 12, 13 and 14, ...	16,865,990	49,213,135	268,719,035	350,202,330
Total competing imports, re-exported, Schedules Nos. 12, 13 and 14, ...	8,324,600	9,457,090	23,027,755	21,420,085
Total competing imports retained for home consumption, Schedules Nos. 12, 13 and 14, ...	10,490,355	39,758,430	252,911,500	329,619,310
Total non-competing imports, Schedules Nos. 15, 16 and 17, ...	214,493,625	245,463,335	541,161,395	655,534,075
Total non-competing imports, re-exported, Schedules Nos. 15, 16 and 17, ...	28,341,295	47,977,000	84,547,970	116,763,525
Total non-competing imports retained for home consumption, Schedules Nos. 15, 16 and 17, ...	188,681,510	198,798,943	458,046,310	538,770,550
Total classified imports, ...	231,359,615	294,676,470	809,880,430	1,005,736,405
Total unclassified imports, ...	47,307,480	70,612,010	52,840,340	46,917,960
Total imports per statistical abstract, ...	278,667,095	365,288,480	862,720,770	1,052,654,365

SUMMARY.

United Kingdom, from Schedules Nos. 12, 13, 14, 15, 16 and 17, together for the Years Stated.

1865.	1870.	1875.	1880.	1885.	1890.	Increase or Decrease Per Cent 1870 to 1890.
COMPETING IMPORTS.						
\$209,732,985	\$284,401,010	\$460,999,665	\$596,295,965	\$537,987,780	\$616,601,770	Increase, 116.8
1,687,705	10,346,655	8,224,465	14,892,355	14,340,210	17,971,935	Increase, 73.7
208,055,280	274,054,355	452,775,200	581,499,930	523,647,570	598,629,835	Increase, 118.4
111,671,545	174,116,735	233,790,000	259,654,770	253,083,360	309,190,415	Increase, 77.6
8,948,245	11,797,020	22,448,815	31,842,585	30,115,210	34,150,325	Increase, 139.5
101,819,670	164,221,335	200,823,045	227,762,180	222,768,150	275,040,090	Increase, 67.5
92,636,645	107,409,400	142,939,620	153,219,415	159,764,840	178,521,530	Increase, 66.2
11,412,280	9,939,910	17,399,260	21,255,855	21,680,165	28,491,485	Increase, 186.6
83,832,665	97,468,385	125,540,360	131,007,260	138,084,675	150,030,045	Increase, 53.9
NON-COMPETING IMPORTS.						
691,829,610	673,367,155	664,244,745	669,910,940	590,830,145	669,326,790	Decrease, .6
182,485,615	129,643,660	160,656,325	161,197,605	160,897,850	163,911,545	Increase, 26.4
509,343,995	543,831,455	503,599,420	508,126,335	429,851,295	505,414,945	Decrease, 7.1
78,460,315	103,571,315	132,237,150	143,777,415	115,192,870	102,633,940	Decrease, .9
11,109,650	13,209,620	19,291,360	20,559,800	17,346,940	16,373,130	Increase, 23.9
67,350,665	90,389,340	112,945,790	123,308,615	97,845,930	86,260,810	Decrease, 4.6
126,340,245	135,533,480	185,120,265	163,623,070	143,654,075	145,121,300	Increase, 7.1
41,190,605	40,200,785	55,296,070	52,709,015	34,554,270	33,733,015	Decrease, 16.1
85,150,630	95,322,795	129,786,800	110,915,650	109,101,820	111,388,285	Increase, 16.8
SUMMARY.						
414,041,175	565,927,145	837,729,285	1,009,170,150	950,835,950	1,104,313,715	Increase, 95.1
22,048,230	32,083,585	48,072,540	67,990,795	66,135,585	80,613,745	Increase, 151.3
393,707,615	535,744,075	779,138,605	940,269,370	884,500,795	1,023,699,970	Increase, 91.1
896,630,170	912,471,950	981,602,160	977,311,425	849,677,090	917,082,030	Increase, .5
234,785,870	183,054,065	235,243,755	234,466,420	212,799,060	214,017,990	Increase, 16.9
661,845,290	729,543,590	746,332,010	742,350,600	636,799,045	703,064,040	Decrease, 3.6
1,310,671,345	1,478,399,095	1,819,331,445	1,986,481,575	1,800,513,070	2,021,395,745	Increase, 36.7
44,690,080	37,888,370	50,366,440	69,666,250	54,326,705	82,064,240	Increase, 116.6
1,355,361,425	1,516,287,465	1,869,697,885	2,056,147,825	1,854,839,775	2,103,459,985	Increase, 38.7

But instead of this being an evidence of prosperity, it is the most positive proof of national decay, when the fact is revealed that nearly one-half of this vast sum, or \$1,023,669,000 consisted of competing articles, the like of which might have been produced in England under the policy of protection, and furnished employment for labor and the investment of capital at home. This vast sum of consumable commodities consisted of,

Agricultural produce, ...	\$598,629,835
Fully manufactured articles, ...	275,040,090
Partly manufactured articles, ...	150,030,045
Total, ...	\$1,023,699,970

*Increase of
imports of
competing
products.*

The reader should carefully study the tables, from which the summary Table 9 is taken. The percentage of increase and decrease of the various classes of articles from 1870 to 1890, shows a most significant result. While during the twenty years from 1870 to 1890, competing imports retained for home consumption increased 91.1 per cent, the imports of non-competing articles retained for home consumption during the same period decreased 3.6 per cent. While the imports of fully manufactured goods increased 67.5 per cent, the imports of raw materials decreased 7.1 per cent. No more positive evidence could be presented of the causes which are undermining the productive industries of the country. While the increase of competing commodities is displacing articles which otherwise would be made in English factories, a relative decline in the consumption of raw materials not only shows that the export trade is not proportionately increasing, but is proof of decaying industries. Such results existing under free trade confirm the views of protectionists in all parts of the world, upon the necessary and inevitable effect of free trade upon the industries of a country, when subjected to sharp competition. When the policy of free trade was entered upon, the British people not only held a monopoly of foreign markets, but from their farms and factories were supplying the wants of their people at home. In 1846 the imports of fully manufactured goods for home consumption amounted to only \$8,946,000; of partly manufactured goods, \$2,948,000. The insignificance of these amounts is shown by a comparison with the vast quantities of similar domestic articles exported. In 1836, the imports of agricultural produce for home consumption amounted to \$4,243,000. In 1846, the foreign purchases were larger because of the failure of the potato crop and the wheat harvest. The steady increase of imports of competing commodities, year by year, shows how the undermining process gradually went on, until in 1872 the turning point came and the effect became so noticeable that complaints of hard times were universally heard. The causes which have led to the chronic depression of trade

which exists in the United Kingdom, cannot be mistaken. The increase of competing imports has continued up to the present time. A nation which pursues the policy of buying in foreign countries, articles which might be produced at home, when its own labor is idle and suffering for want of work, when its capital is seeking investment in foreign countries, cannot be said to be exercising a proper degree of care for the welfare of its own people. No amount of sophistry can show that the masses of the English people are benefited by the large purchases of competing imports which are taking place. The British glove makers cannot be benefited by the importation of \$8,000,000 worth of gloves, nor the silk workers by \$51,000,000 of manufactured silk; nor the spinners and weavers in the woolen mills by the purchase of \$38,000,000 of woolen goods and \$8,577,000 of woolen and worsted yarn; nor the farmers of England by the importation of \$598,000,000 of agricultural produce, and so one might go through the whole list of competing, consumable commodities, finding that over \$1,000,000,000, are annually paid for articles that are brought into the country solely because, as is shown before the Royal Commission on Industries, they can be produced cheaper in other countries.

Injurious competition.

Sir Edward Sullivan says on this point:

In every branch of British industry the products of foreign labour are driving out the products of English labour. Employment and wages are fast falling. Agricultural labourers are competing for work at 10s. and 9s. a week. Those who live by labour say, "Why stand we here idle all the day? Why doth no man hire us? How is it, that in the largest consuming community in the world, with consumption daily and hourly increasing, the work of the producers is daily and hourly decreasing?" "Why can't we get work?" say the workers, and the answer is coming back to them with hourly increasing distinctness, "Because the foreigner is doing your work." "Why, then, does the foreigner do our work?" asks the English worker. "Because he works for less wages," says the free trader; "because he works longer hours, because he is more thrifty, because he produces cheaper." But again asks the English workman, "If we work for less wages and longer hours, and are more thrifty, and produce cheaper, shall we keep our work?" "No, indeed," replies the free trader, "the foreigner will work for still lower wages and still longer hours, and be still more thrifty, and produce cheaper still. It is entirely a question of cost, and in cost they can always beat you." "Then we must be protected or leave the country," say the English workers. "Leave the country you may," replies the free trader. "In fact, it is probably the very best thing you can do; but protected you never shall be—not indeed, unless you make it a condition of giving your vote. If you say I will only vote for those who will advocate protection to labour, then, of course, the question assumes an entirely different aspect. Under those altered circumstances protection might become as necessary to us as it is to you." Well, it is not quite impossible that the English workers may see the question in this light also. They may make the promise of protection to native industry the condition of giving their vote, and then what a scuttle we shall see. Hey, Presto! and ninety-nine out of every hundred free traders would become protectionists before you could say Jack Robinson! It is a fact, deny it who can, that this question of protection is only a question of the popular vote.

TABLE NO. 10. SUMMARY

*Schedule Showing a Summary of the Exports of Domestic Productions,
together with Re-exports of Foreign and*

	Annual Average 1860, 1861, 1862.	Annual Average 1863, 1864, 1865.	Annual Average 1866, 1867, 1868.	Annual Average 1869, 1870, 1871.	Annual Average 1872, 1873, 1874.
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1. Cotton manufacture, per Schedule No. 18, ...	183,783,271	220,410,889	283,107,762	279,211,535	307,558,500
2. Linen manufacture, per Schedule No. 18, ...	22,985,099	39,731,292	40,214,165	35,920,502	37,746,907
3. Jute manufacture, per Schedule No. 18, ...	650,450	1,519,471	2,540,365	4,265,361	7,928,500
4. Silk manufacture, per Schedule No. 18, ...	7,078,265	7,143,603	5,709,406	7,689,335	10,118,146
5. Woolen manufacture, per Schedule No. 18, ...	60,749,569	90,384,249	102,614,142	119,194,284	134,223,504
6. Total textile fabrics, per Schedule No. 18, ...	275,246,654	359,189,504	434,185,840	446,281,017	497,575,557
7. Iron and steel manufacture, per Schedule No. 19, ...	58,757,305	68,326,865	78,288,532	105,548,609	143,520,242
8. Hardware and cutlery manufacture, per Schedule No. 19, ...	16,769,408	17,802,945	17,545,226	19,258,953	24,052,361
9. Copper manufacture, per Schedule No. 19, ...	13,495,521	17,645,574	14,337,792	15,188,363	16,088,058
10. Miscellaneous metal manufacture, per Schedule No. 19, ...	15,833,531	16,213,848	17,302,759	29,436,094	28,828,788
11. Total metal manufacture, per Schedule No. 19, ...	104,855,765	119,989,232	127,474,309	169,432,019	212,489,449
12. Earthen and china ware manufacture, per Schedule No. 19, ...	6,235,701	7,081,821	8,391,065	8,842,390	10,349,603
13. Glass manufacture, per Schedule No. 19, ...	3,145,680	3,777,296	3,998,185	4,328,490	6,080,239
14. Total exports, per Schedule No. 19, ...	114,237,146	130,848,349	139,863,559	182,602,899	228,919,291
15. Miscellaneous manufacture, per Schedule No. 20, ...	65,561,443	77,446,502	81,193,216	90,635,473	141,322,878
16. Bleaching and raw materials, per Schedule No. 21, ...	135,290,053	159,091,484	196,020,115	215,243,021	296,091,714
17. Food products, per Schedule No. 22, ...	24,538,669	24,382,705	24,720,927	31,602,579	36,314,827
18. Total classified exports of domestic produce, ...	614,873,965	750,958,544	875,983,657	966,364,989	1,200,224,267
19. Total re-exports, per Statistical Abstract, ...	175,559,463	259,110,810	238,215,566	253,438,980	287,106,655
20. Total unclassified exports, ...	26,799,877	37,186,645	39,945,252	54,314,914	51,409,183
21. Total exports, per Statistical Abstract, ...	817,203,305	1,047,255,999	1,154,144,475	1,274,118,883	1,538,740,105

OF TOTAL EXPORTS.

from the United Kingdom, from Schedules Nos. 18, 19, 20, 21 and 22, Colonial Produce, and Total Exports.

Increase Per Cent. 1860 to 1874.	Annual Average 1875, 1876, 1877.	Annual Average 1878, 1879, 1880.	Annual Average 1881, 1882, 1883.	Annual Average 1884, 1885, 1886.	Annual Average 1887, 1888, 1889.	Annual Average 1890, 1891, 1892.	Decrease or Increase Per Cent 1874 to 1892.
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	
67.3	284,155,707	280,746,203	319,653,346	285,689,968	297,838,230	297,641,943	Decrease, . 3.3
64.2	31,213,330	28,073,202	28,757,559	25,667,187	27,971,034	26,513,777	Decrease, . . . 29.8
1,118.9	7,517,768	9,679,261	12,091,926	10,286,133	11,448,848	12,871,403	Increase, . 62.3
42.9	8,723,728	9,418,035	12,805,506	10,609,909	12,496,359	9,382,200	Decrease, . 7.3
120.9	96,010,009	83,089,345	92,021,440	97,869,930	103,187,541	94,619,550	Decrease, . 29.5
80.8	427,620,542	411,006,046	465,329,677	430,123,127	452,942,012	441,028,873	Decrease, . 11.4
144.3	95,796,645	88,785,597	122,169,680	99,764,398	118,271,056	118,908,362	Decrease, . 17.1
43.4	18,475,618	16,411,810	19,574,010	14,733,653	15,131,250	12,477,912	Decrease, . 48.1
19.1	15,383,753	15,854,804	17,233,529	15,417,127	14,953,005	20,238,658	Increase, . 25.8
81.5	26,349,487	23,973,657	29,338,883	34,596,392	35,130,039	41,715,042	Increase, . . 44.7
102.6	156,005,503	145,025,868	188,316,102	164,511,570	183,485,350	193,339,974	Decrease, . . . 9.0
66.0	9,138,395	9,432,820	11,409,758	10,406,868	11,685,501	11,909,600	Increase, . . . 15.1
93.3	4,732,066	4,100,696	5,208,782	4,980,594	5,462,840	4,940,259	Decrease, . 18.7
100.4	169,875,964	158,559,384	204,934,642	179,899,032	200,633,691	210,189,833	Decrease, . 8.2
115.6	124,262,781	125,397,796	148,550,013	132,711,412	139,918,242	146,997,755	Increase, . 4.0
118.9	233,627,361	227,716,085	276,264,670	268,275,942	287,222,189	335,025,978	Increase, . . 12.5
48.0	34,016,988	37,704,908	52,615,121	50,303,965	53,615,709	56,289,007	Increase, . 55.0
95.2	989,403,436	960,384,219	1,147,694,123	1,061,313,478	1,134,331,843	1,189,531,446	Decrease, ... 9
63.5	279,561,195	288,734,295	323,152,080	295,894,663	316,748,480	318,605,359	Increase, . . . 11.0
92.0	48,926,944	52,017,635	44,443,062	40,127,449	41,364,852	40,206,874	Decrease, . . 21.8
88.3	1,317,891,575	1,301,136,149	1,515,289,265	1,397,335,590	1,492,385,175	1,548,343,679	Increase, . . . 6

"Cheap-
ness."

Free traders proclaim with glee that England can be supplied by foreign workers with everything she consumes, cheaper than she can be supplied by English workers at home; and the free traders are right. There is scarcely anything that cannot be produced cheaper in some part of the world by foreign labour than it can be produced at home by English labour; and freight and transport are so low that there is scarcely a single article, raw or manufactured, that will not pay carriage to an English market. England need produce nothing, she can be supplied with everything she requires from abroad; but if the wealth of a country is the value of what it produces, the wealth of England must decrease as the value of her production diminishes; and let the "figure-men" say what they like, the wealth of the country has diminished, is diminishing and will continue to diminish with accelerated speed. If English consumers are to be supplied by foreign producers, how are English producers to live? How can they buy if they have not got any money? and how are they to get money if they don't earn any wages? and how are they to earn any wages if they don't get any work? How can they consume unless they first produce? Did the folly of man ever conceive more suicidal nonsense than a scheme for supplying an industrial community of 34,000,000 with everything they consume from abroad cheaper than they can produce it themselves? It is simply a scheme for depriving our working men of work. It is only political economists run riot who could have conceived it.

"Happy work-people," says the free trader, "you do not realize the enormous blessing we have bestowed on you; we have made work a question of secondary importance to you; we have put you into a position in which you can actually buy cheaper than you can produce. It is true you have no work, but then everything is cheap. Think what your position would have been if you had no work and everything was dear!" It does not occur to them that live and let live is the necessary condition of prosperity; that people are better off when what they require is at a fair price, and they have the money to buy it, than when it is below cost price, and they have no money to buy at all.¹

Exports.

The fact has already been mentioned that it has been a common practice of free trade writers to point to the increase of exports of their domestic productions *from 1860 to 1874*, and to conceal from the world their decline *from 1874 to the present time*.

The writer has also prepared a classification of the exports of the United Kingdom from 1860 to 1892, reduced to averages of periods of three years each, from which the reader can study their growth and decline, during the whole period embraced within the schedules.

Schedule No. 18 exhibits the exports of textile fabrics.

Schedule No. 19, the exports of manufactures of iron and steel, and other metals, earthen and china ware, and glass.

Schedule No. 20, of miscellaneous manufactured articles.

Schedule No. 21, bleaching materials, raw materials, coal, machinery and commodities used in manufacturing by other countries.

Schedule No. 22 shows the exports of miscellaneous domestic products.

Table No. 10 exhibits the summary of the schedules of exports, together with percentages of increase from 1860 to 1870; also showing the increase or

¹ A Forbidden Subject, Chap. II.

decline of the several classes embraced within the schedules from 1872 to 1892. While the exports of domestic products increased 95.2 per cent from 1860 to 1872, there was a decline of nine-tenths of one per cent during the next twenty years from 1872 to 1892. The large amount of exports of foreign and colonial products, amounting to \$318,605,000 in 1891 and 1892, discloses the large proportion of exports of the produce of the labor of other countries which enter into their sales. Taking the total exports, we find that while they increased 88.3 per cent from 1860 to 1874, during the next twenty years there was an increase of only six-tenths of one per cent. During the twenty years closing with the year 1892, the exports of textile fabrics declined 11.4 per cent. Manufactures of iron and steel, and other articles, embraced in Schedule No. 19, declined 8.2 per cent, while there was an increase to the extent of 12.5 per cent in the articles embraced within Schedule No. 20, consisting principally of machinery and coal.

Many causes operated to bring about the result disclosed by the figures given, and are still producing their effect. In the first place, the most prosperous and highly civilized countries of the globe, by developing and maintaining home industries through the system of protection, are providing their own people with goods which they formerly purchased in England, thus closing some of the best markets to British wares. Again, the vast industrial growth which has taken place on the Continent in recent years, has so increased the productive capacity of its vast population that large sales are being made not only in the United Kingdom but in the British colonies and possessions, as well as in the markets of non-manufacturing countries, hence, by this division of foreign markets, a large portion which British manufacturers would otherwise control, has fallen into the hands of rivals. This condition which has arisen in recent years, together with the tendency throughout the world toward a continuation of the policy of protection, and the probability of all the British colonies and possessions, and even Asia and South America, engaging in manufacturing has proven the necessity for the revival of the home market, which has been neglected under the policy of free trade.

It may be urged that the decline in exports is to be accounted for in part by the fall in prices which has taken place. While this to a certain extent, is true, an examination of the records of exports by quantities, will not show a growth corresponding with that of other countries, or alter the main fact that the export trade of the country has relatively declined between 1874 and the present time, when compared with any similar period during the past century. A schedule of imports made up by quantities, would exhibit an increase in the imports of competing commodities much larger than is shown in the tables given. Inasmuch as the comparison between imports and exports of the United Kingdom and those of other countries are all made by values, all being affected alike by the decline in prices, the comparisons are perfectly fair.

Causes of decline.

TABLE NO. II.

Showing Comparative Growth of the Foreign Trade of the Countries named below, from 1854 to 1874, from 1874 to 1890, and from 1854 to 1890. Compiled from a Return made to the British Parliament, February 18, 1891, and from the Statistical Abstract of the United Kingdom. (Reduced to U. S. Money at \$5 to a Pound Sterling.)

GROWTH OF IMPORTS.

COUNTRIES.	1854.	1874.	1890.	Increase per cent from 1854 to 1874.	Increase per cent from 1874 to 1890.	Increase per cent from 1854 to 1890.
1. Belgium, . .	\$124,390,000	\$451,715,000	\$637,830,000	262	41.2	412.7
2. Sweden, . .	21,850,000	82,580,000	104,465,000	277	26.5	378.1
3. Spain, . . .	40,675,000	101,750,000	179,565,000	150	76.5	341.5
4. Russia, . . .	55,700,000	373,270,000	203,325,000	570	² 45.5	265.0
5. Holland, . .	141,060,000	271,420,000	538,220,000	90	98.3	281.6
6. Norway, . .	15,555,000	51,605,000	57,960,000	232	12.3	272.6
7. Portugal, . .	20,855,000	33,165,000	78,705,000	59	137.3	277.4
8. France, . . .	341,840,000	884,500,000	1,090,480,000	158	23.3	219.0
9. England, . .	761,945,000	1,850,415,000	2,103,460,000	142	13.7	176.1
10. Denmark, . .	31,780,000	64,775,000	85,285,000	103	31.7	168.4
11. United States	310,005,000	591,045,000	822,200,000	90	39.1	165.2
12. Austria, . .	104,365,000	342,875,000	254,470,000	228	² 25.8	143.8
13. Germany, . .	¹ 170,000,000	1,177,050,000	1,431,175,000	592	21.6	741.9

GROWTH OF EXPORTS.

1. Russia, . .	\$51,725,000	\$341,840,000	\$352,550,000	560	* 3.1	581.6
2. Belgium, . .	142,695,000	414,040,000	589,630,000	190	42.4	313.2
3. Sweden, . . .	22,005,000	62,505,000	84,545,000	184	35.3	284.2
4. Holland, . .	121,010,000	211,240,000	450,685,000	74	113.4	272.4
5. Spain, . . .	49,925,000	92,000,000	186,485,000	84	102.7	273.5
6. United States	246,670,000	610,710,000	893,570,000	147	46.3	262.3
7. Norway, . .	11,780,000	33,665,000	36,415,000	185	8.2	209.1
8. Austria, . . .	109,010,000	293,110,000	321,405,000	168	² 9.7	194.8
9. England, . .	579,105,000	1,488,250,000	1,641,260,000	156	10.3	183.4
10. France, . . .	357,535,000	940,420,000	968,040,000	163	2.9	170.8
11. Denmark, . .	21,880,000	49,970,000	64,955,000	128	3.0	196.9
12. Portugal, . .	16,230,000	29,445,000	48,600,000	81	65.1	199.4
13. Germany, . .	¹ 180,000,000	588,275,000	1,212,000,000	227	106.0	573.3

GROWTH OF IMPORTS AND EXPORTS COMBINED.

1. Russia, . . .	\$107,425,000	\$718,110,000	\$555,875,000	564	² 29.2	417.5
2. Belgium, . . .	267,085,000	865,755,000	1,227,460,000	224	41.8	359.6
3. Sweden, . . .	43,855,000	145,085,000	189,010,000	230	30.3	331.0
4. Spain, . . .	90,600,000	193,750,000	366,050,000	113	88.9	304.0
5. Holland, . .	262,070,000	482,660,000	988,905,000	81	104.9	277.3
6. Norway, . .	27,335,000	85,270,000	94,375,000	211	10.7	245.3
7. France, . . .	674,375,000	1,824,920,000	2,058,520,000	161	12.8	205.2
8. Portugal, . .	37,135,000	62,610,000	127,305,000	72	103.3	242.8
9. United States	556,675,000	1,201,755,000	1,715,770,000	115	42.8	208.2
10. England, . .	1,341,050,000	3,338,665,000	3,744,720,000	124	12.2	179.2
11. Denmark, . .	53,660,000	114,745,000	150,240,000	114	30.9	180.0
12. Austria, . .	213,375,000	635,985,000	575,875,000	198	² 9.5	169.9
13. Germany, . .	¹ 350,000,000	1,765,325,000	2,643,175,000	404	49.7	655.2

¹ From Mulhall's Dictionary of Statistics, p. 137, for 1850. ² Decrease per cent 1874 to 1890, but relates only to special imports and exports, which do not represent total trade.

*Foreign
trade.*

The arguments so frequently used by free traders, that those countries practicing the policy of protection cannot participate in foreign trade, is fully refuted by the experience of the leading commercial nations of the world since 1854. Under free trade a nation becomes impoverished; the purchasing power of its people diminishes, and with reduced wages, incomes and profits, it is unable to purchase as largely of those commodities the like of which cannot be produced at home, as a nation whose people through increased employment and greater internal prosperity, have a larger spendable income. If the growth of foreign trade is made the test of the increasing prosperity and wealth of a nation, protective countries do not suffer from the comparison.

The character of the literature published by the Cobden Club, for the purpose of deceiving the world, as to the magnitude and growth of British trade in comparison with other countries, is well illustrated in "Free Trade and English Commerce," written by Mongredien, and published in 1888, in which we are told,

Of this enormous expansion of her foreign commerce, England owes the greatest to her adoption of free trade. The development of her commercial intercourse with the rest of the world since the repeal of the Corn Laws in 1846 and of the Navigation Laws in 1849 is marvellous. In 1840 our combined imports and exports were £172,000,000; in 1878 they were £611,000,000. True that, in most countries, some increase of foreign trade has taken place within the same period, but in many cases it has only been slight, and in no instance has it progressed in anything like the same ratio (pp. 35-37).

The above statement untrue at the time it was first published, had grown more palpably false in 1888, when it was continued in the last edition of the publication. The book containing this statement has been circulated throughout the United States to give the impression that the foreign trade of Great Britain has experienced a larger development than that of any other country. It was put out by the Cobden Club, whose officers must have been fully apprised of the facts contained in the schedule of the Growth of Trade of the Thirteen Leading Nations of the World.

Table No. 11, page 312, shows the growth of foreign trade of the thirteen nations named. The total foreign trade of Russia and Austria, is not given. Neither the Board of Trade returns nor the Statistical Abstract of the United Kingdom from which the table is compiled, gives the general trade of these two countries, hence, a fair comparison of the trade of these with the other countries, is not made. It is a significant fact that from 1874 to 1890, as well as from 1854 to 1890, the foreign trade of the United Kingdom exhibits a smaller degree of increase than a majority of the countries named.

Comparative growth of foreign trade.

Bringing the foreign trade of the United States and Great Britain down to 1892, we get the following result:

	1874.	1892.	Increase Per cent.
<i>Imports:</i>			
United Kingdom, ...	\$1,850,415,000	\$2,113,970,000	Inc. 14 %
United States, ...	591,045,000	861,875,000	Inc. 46 %
<i>Exports:</i>			
United Kingdom, ...	1,488,250,000	1,483,200,000	Dec. 1/3 %
United States, ...	610,710,000	1,073,205,000	Inc. 75 %
<i>Exports and Imports together:</i>			
United Kingdom, ...	3,338,665,000	3,597,170,000	Inc. 7 %
United States, ...	1,201,755,000	1,935,080,000	Inc. 61 %

It should be noted that every country included within Table No. 11, to a larger or smaller degree protects its domestic industries, with the exception of England. While the foreign trade of England during very recent years, when compared with former years, has declined, the other nations mentioned have experienced a marvelous growth, with the exception of France. It is a well-known fact that the French nation has not pressed itself into foreign trade with the same vigor as Germany, England and other countries. The great prosperity and wealth of France, as will be pointed out later, rests upon the care with which domestic trade is encouraged and cultivated.

While Table No. 11, is presented as evidence refuting the free trade argument that the policy of protection restricts and prevents a nation from engaging in foreign commerce, it is by no means contended that the magnitude of the external trade of a country is to be taken as the only evidence of its prosperity. We have in England an illustration of the fact that a nation may build up a large one-sided trade and participate, to a great extent, in foreign commerce, and at the same time have its country filled with idle artisans and its domestic industries impoverished and in a state of decay. While the \$1,000,000,000 of competing commodities consumed in England each year swell the volume of its foreign trade, they displace labor, drive capital out of the country and produce poverty and degradation at home; when if the same commodities were produced in the United Kingdom, the foreign trade would be lessened, yet that unregistered home trade, which does not appear in official records of exports and imports, would be so increased that prosperity, industry and comfort, would take the place of impoverishment, idleness and want.

The experience of the British people during the past quarter of a century, has demonstrated the utter falsity of every free trade maxim announced as the basis of the creed. As has been pointed out, it was

Free trade maxims tested.

urged most vigorously by Mr. Cobden and his associates, that in case an English industry was found to be unable to compete with foreign labor, that the capital invested in such industry, and the laborers who were being employed, would be at once transferred to some profitable employment at home. During the recent agitation of the tariff question in the United States, notwithstanding the fact that this proposition has been proven to be untrue, it has been reiterated and urged upon the American people with a degree of apparent candor, which is most scandalous. The agriculturists of England, instead of finding employment in cities and towns, have been driven to foreign countries. They have sought relief from almshouses and in emigration. The silk weavers of Macclesfield who clung to the declining and decaying industry until they were unable to supply themselves with funds to reach the protectionist city of Paterson, N. J., were reduced to pauperism and forced to drag out a miserable existence in the "Doomed Town." The evidence before the Royal Commission shows that the watchmakers of England shared the same fate, and so it has been. With an already overcrowded population, as industries have been ruined by large importations of competing products, the country has been filled with a surplus of labor unable to find employment. The Minority Report of the Royal Commission on Depression of Trade and Industry, made special reference to this point as follows:

Whilst the amount of labor employed in agriculture has greatly declined during the years 1874-1885, it is noteworthy that the number of persons employed in textile manufactures has, during the same period, not only failed to increase at the usual rate, but has, for the first time, diminished in proportion to the population of the country; there has, therefore, been no absorption by the textile industries of the labor displaced from agriculture, and we have no evidence to show that it has found employment in any other productive industry.¹

The facts presented, together with the opinions of the members of the commission who signed this report, ought to set at rest this proposition; yet it matters not what the facts are, nor what the experience of nations has been upon this or any other economic proposition, the advocates of free trade will in the future, as they have in the past, persistently ignore the actual experiences of man and continue to urge the usual fallacies of the school. The champions of free trade are certainly wise in one respect; by refusing to consider facts and resting their case on the alleged infallibility of theories, they are enabled to pursue a course of argument that under no other circumstances has been resorted to by intelligent men. The Final Report of the Royal Commission, brought out the important fact that during twenty years preceding 1886, "67 per cent of the emigrants from the United Kingdom, went to the United States, the most highly protected country in the world, and only 27½ per cent found homes in our colonies." Immigrants arriving in the United

Emigration from Great Britain.

¹ Royal Commission, Final Report (Minority), p. 43.

States from Great Britain and Ireland, from June 30, 1878, to June 30, 1888, were as follows:

Fiscal Year.	England and Wales.	Scotland.	* Total from Great Britain.	Ireland.	Total from United Kingdom.
1879, ...	24,729	5,225	29,954	20,013	49,967
1880, ...	60,633	12,640	73,273	71,603	144,876
1881, ...	66,204	15,168	81,372	72,342	153,714
1882, ...	84,050	18,937	102,987	76,432	179,419
1883, ...	64,742	11,859	76,601	81,486	158,087
1884, ...	56,890	9,060	65,950	63,344	129,294
1885, ...	48,487	9,226	67,713	51,795	109,508
1886, ...	50,803	12,126	62,929	49,619	112,548
1887, ...	74,679	18,699	93,378	68,370	161,748
1888, ...	83,132	24,396	107,528	72,238	180,766
Total,	614,349	137,336	751,685	628,242	1,379,927

Cause of emigration.

The total immigration during this time, from Europe into the United States was, 4,320,676. The total population of Europe is estimated at 301,700,000. The population of the United Kingdom in 1881 was 35,246,526; thus the British Isles, with 11 per cent of the population of Europe, sent us 32 per cent of our immigration from Europe during the ten years named, and not including in this the very heavy immigration through Canada. There cannot be the slightest doubt that the chief cause which has driven out of England so many of her skilled artisans, ingenious and enterprising citizens, has been that fiscal policy which reduces prices to the lowest level, which destroys profits, and as profits disappear, drives down wages to a starvation point. They have left the country to escape a train of causes which are calculated to "arrest and destroy the progress and well-being of the nation, striking as it does in turn, directly and indirectly at every class of society, and every department of industry."

Goods for goods theory.

If the free trade theories had been carried out, and if for each import of goods a corresponding export of home-made articles had occurred in exchange therefor, the loss to the nation in spendable income would not have been so great as it is; but when "the imported article destroys an equivalent market for home labor, an entirely different situation is presented." Excessive competing imports add to the impoverishment of the country, and cause a permanent and constant increase in the number of unemployed laborers. The experience in England, as well as other countries, since 1860, has overthrown this cardinal principle of free trade. As has been pointed out, many Englishmen were converted to the theory under a belief that as imports increased, exports to the same amount would necessarily be required to be given in exchange for those goods.

purchased of other countries. The experience of the United Kingdom during the past thirty years needs only to be cited to expose this fallacy. While imports have been increasing during the whole free trade period, since 1874 exports have been declining. The balance of trade each year has gone against the country, as exhibited in the following table, compiled from the Statistical Abstract of the United Kingdom:

*Table
showing
balance
of trade*

EXPERIENCE OF UNITED KINGDOM FOR THE LAST THIRTY YEARS.

	Imports.	Exports.	Excess of Imports over Exports.
1864, ...	\$1,375,000,000	\$1,063,000,000	\$312,000,000
1865, ...	1,355,000,000	1,094,000,000	261,000,000
1866, ...	1,476,000,000	1,195,000,000	281,000,000
1867, ...	1,376,000,000	1,129,000,000	247,000,000
1868, ...	1,475,000,000	1,139,000,000	336,000,000
1869, ...	1,477,000,000	1,185,000,000	292,000,000
1870, ...	1,516,000,000	1,220,000,000	296,000,000
1871, ...	1,655,000,000	1,418,000,000	237,000,000
1872, ...	1,773,000,000	1,573,000,000	200,000,000
1873, ...	1,856,000,000	1,555,000,000	301,000,000
1874, ...	1,850,000,000	1,488,000,000	362,000,000
1875, ...	1,870,000,000	1,408,000,000	462,000,000
1876, ...	1,876,000,000	1,284,000,000	592,000,000
1877, ...	1,972,000,000	1,262,000,000	710,000,000
1878, ...	1,844,000,000	1,227,000,000	617,000,000
1879, ...	1,815,000,000	1,244,000,000	571,000,000
1880, ...	2,056,000,000	1,432,000,000	624,000,000
1881, ...	1,985,000,000	1,485,000,000	500,000,000
1882, ...	2,065,000,000	1,533,000,000	532,000,000
1883, ...	2,134,000,000	1,526,000,000	608,000,000
1884, ...	1,950,000,000	1,480,000,000	470,000,000
1885, ...	1,855,000,000	1,357,000,000	498,000,000
1886, ...	1,749,000,000	1,345,000,000	404,000,000
1887, ...	1,811,000,000	1,406,000,000	405,000,000
1888, ...	1,938,000,000	1,493,000,000	445,000,000
1889, ...	2,136,000,000	1,578,000,000	558,000,000
1890, ...	2,103,000,000	1,641,000,000	462,000,000
1891, ...	2,177,000,000	1,546,000,000	631,000,000
1892, ...	2,119,000,000	1,458,000,000	661,000,000
1893, ...	2,023,000,000	1,386,000,000	637,000,000

The question arises how was the balance of trade of \$637,000,000 in 1893 paid? That the people of the United Kingdom purchased of other countries that amount more than they sold, cannot be questioned. To the value of imports is added freight charges, commissions, and profits of importers, yet this would not account for the difference in value of \$637,000,000. There still remains a large amount which must be settled, either by the export of coin, or in some other way. The British people having large sums invested in foreign countries, either as holders of securities, or as owners in business enterprises, have a large amount of interest and profits coming to them from outside. Now, instead of shipping money every year from different parts of the world, as long as the

*The adverse
balance of
trade.*

How is the
adverse
balance
settled?

balance of trade is against the United Kingdom, the interest and profits due Englishmen are set off against the amount due each year for the purchase of goods. In this way the balance of trade is indirectly settled with money. So long as the incomes from foreign investments are sufficient to pay the excess for imports over exports, the precious metals would not be exported. Imports are increasing and exports relatively declining. What then is to happen when there is still a balance left to be paid after adjusting all such dealings?

The contention of the free traders was stated by the Times, as follows: "We do not get foreign goods for nothing and we do not pay for them with money, we pay for them with goods which the foreigner takes in exchange, and those goods are made or produced by our own labor." No one has yet claimed that the English or any other people get goods for nothing. It is admitted by all that they are paid for in some way. The protectionists have maintained that the *adverse balance* is not paid for or settled with goods, but with money. The Fair Trade Journal of October 12, 1888,¹ in discussing this question said, "Mr. Medley has admitted that the foreigner is paid by securities, instead of British goods, and by doing so, he has most certainly surrendered the position which he, and the late Mr. Mongredien and the Times have labored so hard to establish." This admission does not help their case, the fact that in order to prevent the coin from being taken out of the country, foreign securities would be sold or returned to settle the balance of trade, is proof of the position so long held by protectionists. The adverse balance then would represent goods purchased abroad with the accumulated capital of the country. Although gold might be retained, the wealth of the country would be exhausted to buy articles which might be made at home.

This admission, coming from Mr. Medley, one of the secretaries of the Cobden Club, and one who, with Sir Thomas Farrer, has of late been its chief defender, is very important. It yields one of the most vital points in the controversy.

It is not improbable that it may be found that Mr. Medley has stated the cause of the return of United States securities which has occurred during the past two years. An exchange of accumulated wealth for consumable commodities is not proving a paying business, especially when the commodities received displace home production. The theories now being presented by free traders, to show how adverse balances are paid, are of little importance, so long as it has been demonstrated, and is now admitted, that the "goods for goods" theory is unsound. The utter failure of the original proposition presented by those who introduced the free trade policy, is most damaging to their cause. Those foreign investors, then each year, receive their interest by means of the agricultural produce and manufactured goods which are brought into

¹ Vol. IV., p. 8.

England and sold to the English people. 'The whole body of foreign investors, with the exception of the small contributions which they make to the English Government in taxes, and the small amount of commodities consumed by them, might as well be residents of foreign countries. They add nothing to the productive wealth of the kingdom. While their capital is each year estimated as a part of the wealth of England, it is sustaining and supporting industries in other countries.

In 1846 John Macgregor in his "Commercial Statistics" in describing the condition of Holland when her foreign trade was being taken from her; when she was pursuing that "liberal policy" of free trade which is so frequently spoken of by certain economic writers; when her home industries were being crippled by British and French competition, said of her:

*Are
foreign in-
vestments
evidence of
industrial
decay?*

During the progress of the decline of Holland, the low rate of interest, and the difficulty of investing money to any profit in the country, diverted a great part of her specie and capital in the way of loans or to be invested in the manufactures, trade, or securities of foreign States. This circumstance has seldom been properly appreciated, as an exhaustive cause weakening the power and energy of Holland, while it nourished the growing industry and trade of those countries which received the capital that left the United Provinces for want of employment. There can be no greater symptom of decay than the want of employment for capital in a country where it had long previously been actively and profitably invested. All commercial States and cities which have declined, exhibited previously this symptom of approaching decay. Holland, from 1670 to 1814, affords an example from which, on this subject, as well as many others, useful instruction may be gathered.¹

History is repeating itself. Every word uttered by Mr. Macgregor with reference to Holland, can truthfully be said of England to-day. The same changes are taking place in England which Mr. Macgregor points out, and unless arrested, the same end will be reached. Holland changed her policy at the close of the Napoleonic wars, and by a system of protection to agriculture, she is to-day supplying England with large quantities of food, although the cultivation of the soil is carried on under great difficulties.

The people of a decaying nation may for a long time live on past accumulations without exhibiting any very striking outward signs of the change which is taking place. The gradual year by year absorption of savings must ultimately destroy private fortunes and reduce the middle classes to a lower level. Vast wealth in the hands of a few citizens, while it makes an outward show of opulence, may indicate past acquisitions rather than present prosperity. When the Roman Empire was decaying the wealth of the world was centred in the hands of its rulers while its fields were being cultivated by slaves. The free trade writers point to the foreign investments of English capital as an indication of vast accumulated wealth and prosperity when in fact it indicates industrial decline.

¹ Vol. I., p. 831.

*Foreign
investments
injurious
to Great
Britain.*

England is the only country in the world that boasts of the number of foreign investments and vast sums of the capital of her people which are devoted to sustaining industries and employment of labor in foreign States. The protected industries of the United States and the Continent have attracted British capital, while it is being withdrawn from industries at home. Capital withdrawn from productive industries, in the United Kingdom, is being used on the Continent to build up strong competitors, who manufacture goods formerly made in England and force their surplus into neutral channels, thus increasing competition which must ultimately capture a still larger share of the world's markets. Prosperous countries, like prosperous cities and villages, and enterprising men, borrow capital to engage in business. Unprosperous countries send their capital into foreign parts to seek borrowers. Professor Bonamy Price speaking upon this question said, "There remains lastly to notice one more powerful begetter of impoverishment, loans granted to foreign countries. For a period now extending beyond ten years, they have been given away with a profusion truly astonishing." In earlier times it was a national benefit to invest English capital in the building of railways which opened means of communication, and developed countries to receive British goods. The withdrawal of capital from the productive industries of the country, for investment in competing countries, can but add to those causes which are undermining their commercial supremacy. The removal of whole manufacturing plants to the United States and protective countries on the Continent, is a part of the emigration of capital which accompanies labor seeking conditions under which profitable industries may be carried on.

*Who pays
the duty?*

It seems that the protectionists of England are beginning to learn who pays the duty. It is a cardinal principle of Cobdenism that the tariff is a tax, and enhances the price of commodities to the extent of the duty levied. This was the idea of President Cleveland when he urged in his message that the duty was added to the price. It seems that he has not learned that English manufacturers, in order to hold markets, reduce their prices as tariffs in the United States are imposed or raised. This accounts for the fact that prices did not rise after the passage of the McKinley law. British manufacturers sold to us cheaper in order to hold our markets. Although this scheme was in part successful in holding trade, it prevented the manufacturers of the United States from increasing wages and fully answers the taunting argument of free traders that although duties were made higher, there was not a corresponding advance in wages. How could there be when the foreign competitor lowered the prices of his wares, and still waged his war against our industries. This question is fully and ably discussed in the following article which appeared in the Fair Trade Journal, March 1, 1889:

"Who pays the import duty?" is ever the burning question, and one of the chief wheels on which the free trade controversy must always turn. We have, of course, never left our readers in the dark, that the solution lies in discarding all hard and fast lines, and contenting ourselves with the fact, that the consumer may or may not pay them according to circumstances. If the possibilities of producing sufficient for home use at home be great, then the probabilities of the foreign producer who seeks a market being obliged to pay part or the whole of any import duty levied there, is the greater. There is, indeed, a manifest inconsistency in free traders complaining, as all do, of hostile tariffs, if it were accurate that it is the consuming importers who are injured. If it be true that an import duty necessarily raises the price to the extent of the duty or more, as some assert, it follows that the foreign exporter will continue to get his previous free-on-board price, and, except as far as higher prices sometimes involve a proportionate restriction of purchases is therefore not damnified. But we venture to say that such is not the experience of exporting manufacturers and merchants when they have to arrange their prices to allow for duties imposed by their customers abroad. They find themselves either as a rule shut out or compelled to lower their quotations and doubtless also—in the case of manufactures—to lower the quality or intrinsic value of the exports to meet the reduced price. A remarkable confirmation of this truth reaches us this week from the Forest of Dean in the report of a speech recently made at the half-yearly meeting of the coal and iron ore owners and of those interested as renters of mineral and landed properties from the woods and forests. In response to the toast of "Manufacturing Industries," the two speakers who replied touched specially on the tin plate trade which is one of the few industries in the kingdom undergoing considerable development, simply because—from its nature—it is not exposed to the action of unrestricted foreign competition in the home market. But, thanks to the hostile tariffs, its development in other quarters is not quite so happy. Mr. Taylor, who was one of those who responded, said:

*The
lesson of
experience.*

"There is no trade in the world that could show such remarkable figures. He did not refer to prices, but through good times and bad, the tin plate trade had gone on developing steadily and regularly for twenty years past. Each year showed an improvement upon the previous one. He wished makers would only be content to let it remain so. They had no competitors, and in such a case would be able to command their own price. [Hear, hear.] The only dark cloud was in America, in consequence—so far as they were concerned—of the unfortunate election of General Harrison. As the presidential election had turned out, all prospect of the very high tariff of 5s. per box on imported tin boxes being taken off, had vanished; and the prospects now were that the duty would be increased. Party influences were being brought to bear in favor of so raising the duty as to shut out English manufactures of tin from a chance of America. He argued, however that might be, England had held the trade in her own hands for fifteen years past, and if new difficulties arose they must be prepared to deal with them. [Hear, hear.] In the meantime it was most sincerely to be hoped that the efforts now being made would be frustrated, and that the better feeling of the country would be looked to. It was monstrous that such a very large industry should be crushed, just for the sake of gain for the tin manufacturer of the United States. [Hear, hear.] *There was no doubt that English manufacturers would have to reduce the cost of production if they were to maintain their hold of the American trade, and he knew of no other source from which relief could be got than the rate of wages.*"

Tin plate.

From this language it will be seen that the speaker is manifestly a free trader, and his evidence is therefore all the more valuable. He still clings to the idea that protection in the United States is kept up for the benefit of the manufacturers of tin plate, omitting to call attention to the fact that the better employment of labor is

always the condition precedent of prosperity to the manufacturers themselves. And yet at the same time he practically confesses that the consumers of tin plate in the United States are not those who pay the import duties—or, in other words, that the prices are not proportionately raised by the duties—for, “to maintain their hold of the American trade,” Mr. Taylor says that the cost of production must be reduced, *i. e.*, prices lowered to pay the American duty; and to effect this, “he knew of no other source from which relief could be got than the rate of wages.” Surely, if this language be not significant, we know not what is.¹

The practice of reducing the cost of production and lowering prices, in order to sell goods in protectionist countries was followed by the British manufacturers as early as 1843. It is a part of the system of industrial warfare, which has constantly been waged against the labor and capital of other countries.

In speaking of the French ordinance in 1843. Mr. Gladstone said:

It imposed an additional duty on the importation of linen yarns; that additional duty must be paid by somebody; it is, in part, paid by the French consumer, it is in part paid, perhaps, in premium to the smuggler, *but it is also paid in great part by the manufacturers.* By its effect his profits are diminished, and *his power to pay wages was diminished.* It is true that yarns continue to be made, *but why?* Because *people must live*, because the operatives from the abundance of the supply of labor as compared with the demand for it, *must work for what their employers can afford to give.* I will not go into any detail with respect to the operation of the tariff of Germany, but I apprehend that it is much the same. . . . I understand that the increase of duties by the German tariff, which before the change were excessively high, and which are now enormously high, has not had the effect of stopping the exportations from this country, but still it has necessarily *had the effect of diminishing profits and wages in this country*, and has injured thereby our operative population.—“Hansard,” Vol. 66, pp. 503-4.²

The consumer.

The policy of legislating for the benefit of the consumer, and having no regard for the welfare of the producer, has been fully tested during the past forty years. The absolute ruin which must visit any nation which commits itself to this unwise course is demonstrated by the results which have followed. The fallacious argument of free traders that it is the wisest policy to remove all restrictions in order to buy in the cheapest market, must share the fate of all free trade principles.

The following very clear and able treatment of the question appeared in the Fair Trade Journal, December 19, 1890:

Reductio ad absurdum.

The benefit of consumers, who are the larger class, at the expense of producers, who are the smaller class, conduces to the welfare and enrichment of the nation. Is this so? Now the agriculturists are a limited class, the consumers of agricultural produce are the whole nation; therefore, according to this view, to supersede all native agricultural produce by the importation of cheaper foreign agricultural produce would be a benefit to the nation at large. The whole male portion of the population wear hats; the whole female portion, bonnets; the makers of hats and bonnets are a limited class; the wearers, the whole nation; therefore to supersede the entire home manufacture of hats and bonnets by means of the importation of cheap foreign hats and bonnets would be a national boon. The entire population,

¹ Fair Trade Journal, Vol. IV., p. 290.

² Fair Trade Journal, Vol. V., p. 471.

male and female, wear boots and shoes; the makers of boots and shoes are a limited class; the wearers, the whole nation; therefore to supersede the entire home boot and shoe making business by the importation of cheaper foreign boots and shoes would be a boon and a source of wealth to the nation at large. And thus we might proceed through the whole category of trade, extinguishing one after another, the silk manufacture, the cotton manufacture, the woollen manufacture, the linen manufacture, the iron and steel industries, the china, glass, and crockery industries, etc., from regard to the benefit of consumers, who form in all these cases the larger portion of the population, and then, when all this was done, what would be the result? According to the doctrine of the free trade school, the nation ought then to be in possession of unexampled prosperity and enormous wealth, having been enriched time after time by each successive boon of foreign cheapness. Would it be so? The stern reality which would confront us would be something very different. Rent of land and of houses would at once cease, and the occupiers of land and of houses would be paupers. Shares in railways, waterworks, gasworks, and canals would no longer be worth a sixpence. Every British investment would be worthless. The payment of wages would be a thing of the past. Local rates might be demanded for local purposes, but there would be no answer to the demand. Imperial taxation would yield no revenue; and the government of the country, carried on by its instrumentality, would be at an end. The nation would be bankrupt. Now, why should these results occur? Because the sole source of a nation's income is industrial production. Industrial production being destroyed, the nation's income would be annihilated. The only exception would be that of income arising from foreign investments, and that would speedily disappear. Such then would be the effect of carrying out in practice to its utmost limit the theory that the benefit of consumers, the larger class, at the expense of the producers, the smaller class, is a national gain. If the theory were true, the result would be an enormous accession to the wealth of the nation. But the actual result is national ruin. This result proves the absolute falsehood of the theory. It may be said that to suppose the destruction of all these industries is to suppose an impossibility. But that does not affect the validity of the argument. The argument itself is both legitimate and conclusive; and by showing what would be the practical results of the theory if applied to all the industries of the country, it merely exhibits the character and the tendencies of that theory more distinctly than could be done if it were applied only to a single industry.

*Logical
result of
free trade
argument.*

The extinction of all the industries of a country annihilates the income of that country; the extinction of each particular industry annihilates a portion of its income. So also with the partial instead of the total extinction of an industry. If foreign silks, for instance, are sold in the English market 10 per cent cheaper than home-made silks, while common opinion supposes that the country gains 10 per cent by their purchase, the fact is that, while the country saves 10 per cent in expenditure, it loses 100 per cent in income, thus incurring a net loss of 90 per cent by the transaction. Production represents income; consumption, expenditure; and a country which legislates in the interest of consumers is in the position of a man who, in order to enrich himself, devises a scheme by which he reduces his expenditure by £700 per annum, but, at the same time, reduces his income by £700 or £800 per annum. Is the plan a very wise one? Yet the late Sir Robert Peel was himself deceived by this fallacy, and urged it in support of the free trade measures which he was passing. The theory, notwithstanding the extensive belief which it commands, is a baseless superstition; and, on whatever other foundation free trade may rest, let it never be defended on the false ground that by benefiting the consumer at the expense of the producer it benefits the nation at large. The interests of consumers are not paramount to those of producers; but the interests of producers

are most certainly paramount to those of consumers; it is production which is the support and mainstay of a country and the encouragement, the judicious encouragement, and safe-guarding of production, is the first economic duty of every State.¹

When we consider the injury which has been inflicted upon producers in England, for the benefit of a few consumers, the fallacy of one of the cardinal free trade maxims is exposed. It was alleged that the government should have regard for the consumers, and let the producers take care of themselves. This proposition has been urged to the people of the United States and other countries. It has found favor in only one country, and that is England. The test which has been made of free trade, with all its consequences, the impoverishment of the producers which has been brought about, fully demonstrates that the wiser policy is for the nation to take care of the producers and let the consumers take care of themselves. It is through the producing classes, through their energy and exertion, that wealth is brought into existence and is accumulated. It is by the earnings and incomes of the great masses of the people of all countries, that savings and accumulations are made. Upon the size of such incomes rests their ability to purchase homes, educate their children, support their families in comfort and decency, and become elevated and improved. A policy which reduced the incomes of the laboring population so low that at all times they are kept down to bare subsistence, cannot be compensated for to a nation by the benefits which those living on fixed incomes may derive from "cheapness."

*Restricted
commerce.*

We have in Great Britain a real example of restricted commerce arising, not from "barriers" and "hindrances" raised by protection, but through the application of free trade dogmas. The following from an eminent English writer, most aptly illustrates the point:

I will tell you what means restricted commerce; men being out of employment, who are producing nothing, and who cannot exchange because they have nothing wherewith to make an exchange. As all commerce is exchange, want of opportunity to exchange means restricted commerce. We have work-people out of employment, and work-people working at low wages and we have restricted commerce.—David Evans, in *Fair Trade Journal*.²

*The unreliability of
free trade
estimates—
incomes
and earnings.*

From 1850 to 1870, English statisticians industriously put out long columns of figures taken from the official records of the British Government, showing the exports and imports of the country, exhibiting the marvelous growth of trade; and of course, in all instances, attributing this to the influence of free trade. It is most significant that these calculations have ceased. We hear nothing from them upon the decline of their exports since 1874. They are silent upon the vast quantities of manufactured goods which each year find their way into England. The destruction of agriculture is not mentioned. The vast body of unemployed laborers, the loss of profits, and the unceasing complaints of manufacturers and tradesmen, are not referred to; but the work of the professional

¹ *Fair Trade Journal*, Vol. VI., p. 128. ² Vol. II., p. 191.

compiler of statistics has by no means abated. Mr. Mulhall, Mr. Robert Giffen, Sir Dudley Baxter, and many others, have turned their attention to a new field of statistical calculations. Every few years figures are presented to show that a vast accumulation and growth of wealth in England has taken place. The figures put out are practically worthless. In taking the census each ten years, the British Government does not go beyond an enumeration of its population. There are no official sources of information from which the whole wealth and incomes of the English people can be ascertained. Even the wage rate of various sorts of laborers is a constant subject of controversy and dispute. The lack of employment, working on short time which so universally prevails, makes it impossible to obtain a statement of the earnings of the laboring population. The chief sources of information upon which statisticians base their opinions are the assessment of property and receipts from income taxes. But it should be borne in mind that the property in England is held by a very few people and that incomes of less than \$750 are exempt from the income tax, so there is no way by which reliable computations can be made of the incomes of at least thirty-four out of the thirty-eight millions of population. Statements of the wealth of 6,000,000 of property owners, and more especially of the accumulations of wealth from profits, are largely guess work. The calculations which have been made of incomes and the accumulations of wealth, by Mr. Mulhall, Mr. Giffen and others, are put out by them simply as *estimates*, while they are published throughout the world in free trade books and newspapers, as official and reliable.

Professor Leone Levi concedes the unreliability of the estimates of the incomes of the working classes, made by himself, Sir Dudley Baxter, Mr. Giffen, Mr. Mulhall and Mr. Jeans. In excusing the difference in calculations made by these men, he says:

The difficulties attending such inquiries principally arising from the want of a common basis as to the description of persons to be included, under the designation of working classes, what is to be taken as the rate of wages, when piece work prevails, the inclusion or exclusion of over-time, the addition of the money value of board, lodging, clothing, allotment of land, and other allowances. Whatever be the record, however, it must be admitted that in any inquiries of this nature, we cannot pretend to attain to any nicety of precision, but must be satisfied with as near an approach as possible to the real facts of the case.¹

In speaking of the difficulties met with, in attempting to arrive at the annual income of the United Kingdom, he says:

The problem is difficult to solve, because many branches of income defy any valuation, because different branches of income have not the same value, because such values are subject to constant fluctuations, and because when we have estimated the income of the different classes of the people, their aggregate will not represent the income of the nation as a whole; the income of one section as in the cases of the professional classes, the domestic service, etc., being in reality the

*Difficulty
of making
reliable
estimates.*

¹ Wages and Earnings of the Working Classes, p. 16.

expenditure of another section. All attempts, moreover, to estimate the income of the nation can only be of an approximate character. Enough, indeed, if we can come within a measurable distance of the truth.¹

Beset with all these difficulties, how then can the world accept the guess work of the free trade statistician as evidence of wealth in the United Kingdom of the upper and middle classes, or of the earnings of the laboring population? A nation so devoted to the collection of statistical information in all parts of the world, of a certain character, certainly does not neglect to make similar official investigations at home without some grave cause. The decline of agriculture, the loss of profits in manufacturing, the reduction in wages, both in piece and time work, the lack of employment, the vast body of totally unemployed, the widespread vagrancy and pauperism which prevails everywhere, certainly do not afford an inviting field for a searching official investigation of the material condition of their population. It is perfectly safe to assert that, if universal prosperity prevailed, if an official investigation of the wealth, incomes and industries of the United Kingdom would make a good showing for free trade, it would be the first undertaking upon which the free trade party in England would enter. The fact that such investigation is neglected by the government, that the world is left to rely on the mere estimates of those professional statisticians who make calculations for the purpose of bolstering up a political party, should be taken as a condemnation of free trade theories.

Discrepancy in figures.

A very valuable paper was read by Mr. Lloyd Jones, before the Industrial Remunerative Conference in 1886,² in which he exposed the inaccuracies of the estimates of the incomes of the English people. He showed that Professor Leone Levi estimated the earnings of the working classes at \$2,090,000,000; that two years after this, Sir Dudley Baxter, in his work on the "Taxation of the United Kingdom," estimated that the incomes of the same classes were \$1,625,000,000, or \$465,000,000 less than the estimates made by Professor Leone Levi; he gave the incomes of the upper and middle classes at \$2,450,000,000, or \$705,000,000 more than Professor Leone Levi. He also pointed out the wide difference between the calculations of the others named. Mr. Mulhall, in his "Directory of Statistics," page 276, concluded that the annual incomes of the upper and middle classes were \$4,000,000,000, or \$1,640,000,000 more than Sir Dudley Baxter, and \$2,345,000,000 more than Professor Leone Levi. A slight difference in time must, of course, be taken into account, but this does not help the matter. Professor Kolb, the German statistician, recognized the unreliableness of these figures and said that "all such estimates are, as a matter of course, very uncertain." The untrustworthiness of the statements of free trade statisticians upon questions of this character, is well understood in England. Mr. Lacey says:

¹ Wages and Earnings of the Working Classes, p. 44. ² Report of Proceedings, p. 35.

One would think that these repeated exposures would finally discredit them, but no such thing; they crop up in the columns of the newspapers week after week, and are hurled at the heads of philanthropists with as much assurance of their efficacy in demolishing those misguided persons, as though their accuracy were universally admitted. And Mr. Giffen himself, when a fact reveals itself, when it gives a table of statistics an appearance of telling against his views of the case, says, "This is only one illustration of the caution with which such figures must be used."—*Journal of Statis. Society*, Vol. 46, p. 615; but he had no word of caution to give when the figures apparently favor his own view.¹

It is upon these unreliable estimates that free traders endeavor to bolster up their theories, and to furnish proof that the commercial and middle classes are accumulating wealth even in times of great business depression. Statistics are very valuable when resting on reliable and trustworthy facts, but when the conclusions are based upon sheer guess work, without in the slightest degree questioning the integrity of the authors, their calculations can be thrown aside and utterly repudiated as furnishing no trustworthy information either of the wealth or the accumulations of the small number of people in England who by any possibility can prosper under the policy of free trade.

False deductions from estimates.

Mr. Giffen in estimating the incomes from foreign investments "set down \$200,000,000 as the foreign income omitted from the income tax returns."² "This one fact," says Mr. Jones, "vitiates all arguments as to the incomes of the monied classes."

While Mr. Giffen points to the increased incomes of the monied classes as disclosed by the income tax returns, Mr. Algernon West, chairman of the Board of Inland Revenue, in his evidence before the Royal Commission,³ accounts for this increase in great part, "for gradually improving the administration every year."

From the evidence of Mr. West it was apparent that the Government had "succeeded in making more people pay the tax, and that it was doubtful if there had been any improvement in the incomes from trades." It was certainly established beyond a question, that a large portion of the increase as shown by the official returns, arose from more efficient service in making collections. Even if it should be conceded that the incomes of the upper and middle classes have grown at the rate contended for by Mr. Giffen and others, it proves but little. The vast incomes of the nobility of the country make a good showing.

Two-thirds of the whole of England and Wales are held by 10,200 persons; two-thirds of the whole of Scotland are held by only 233 persons; two-thirds of the whole of Ireland are held by 1942 persons. The House of Lords owns more than a third of the area of Great Britain. Two-thirds of all of it really belong to great peers and commoners, whose estates are continually devouring the small estates surrounding them.

Concentration of wealth.

¹ "Liberty and Law," p. 272. ² *Essays in Finance*, page 171. ³ *First Report*, p. 58.

The incomes and inherited estates of this class, are counted by Mr. Giffen and set forth as a part of the accumulated wealth of the people, and pointed to by free traders, as an indication of national prosperity. Mr. Lacey, in enumerating some of the incomes of this class, says:

Thus, the Duke of Portland inherited £1,500,000, and has besides an income of £108,000 per annum from land, the Earl of Dudley inherited £1,000,000, and receives £124,000 from land; the Duke of Westminster inherited £800,000, and receives £260,000 from land; the Duke of Norfolk has £270,000 from land; the Duke of Buccleuch, £231,000; and the Marquis of Bute, £232,000. The total income of the Duke of Westminster equals that of 7500 agricultural laborers, representing 37,500 people, one-nineteenth of the entire population of the United Kingdom! The united incomes of the persons above-mentioned who possess upward of £250,000 in personal property, and of the members of the House of Lords—less than a thousand persons—amount at least to £24,000,000 annually; viz., incomes from £203,200,000. the total amount of fortunes aforesaid, at 5 per cent (which is far under what business men obtain) £10,160,000; the land rental of the House of Lords £13,000,000, and incomes from personal property known to have been inherited by the members of the House of Lords, and not included in the above list (£11,000,000) £550,000, as the amount of personal property inherited by the peers is only known in about one hundred cases, and as the three hundred and eighty "millionaires" nearly all possess land as well, the total income of these 1000 persons is probably over £30,000,000 per annum—equal to the united wages of 750,000 agricultural laborers, more than one-tenth of the male adults of England and Wales.¹

*The debit
side of the
account.*

It is in great part from the vast accumulations of inherited estates which have been growing for long periods that we have been told of the great wealth of the country. It is a significant fact that free trade statisticians in their system of bookkeeping, present only one side of the ledger. If they should place on the opposite side of the page the annual loss in the incomes of the agricultural population; the decline of over one billion of value in real estate; the loss to the nation of over seven millions of skilled artisans and sturdy yeomanry, who have been compelled to leave the country; the large amount of capital which has been withdrawn and driven to foreign countries to seek investment; the large number of manufacturing establishments that have been removed from the country and found shelter on the Continent and in the United States; the losses which are sustained by English people through lack of employment, caused by the annual import of over one billion dollars of consumable competing commodities; the increased tax rate which goes to the support of paupers; the constant drain upon labor organizations to support members of their own bodies out of employment; the vast sums contributed by about seventy organized societies of private persons for the relief of destitution in the country; the loss of profits to manufacturers; the few people who own real estate in England; those who live on foreign investments and fixed incomes; all of this certainly would make a poor showing for free trade.

¹ Liberty and Law, p. 279.

But these elements, the welfare of the masses and good of the largest number, which form the chief concern of nations practicing protection, are unworthy of the notice of free traders. While Mr. Giffen, the chief statistician of the Board of Trade, and as a prominent representative of the free trade element, is busy in compiling statistics and making estimates on foreign investments and accumulations of the upper classes, the interests of the producers are not inquired into. He stated before the Royal Commission on Industries, "It does not come within the duties of the Board of Trade to take note or draw attention to the fact that any particular industry in this country is coming to grief."¹

With an increasing population, those engaged in productive industries, have not increased in the same proportion as those occupied in distributive employments. The sources of increased employments for the English masses, have been in the extension of railways, street cars, water-works, electric light plants, and other non-producing and distributive occupations. England is fast changing from a producing country into a depot for the distribution of the produce of other countries. In an article which appeared in the *Fair Trade Journal*,² it was shown that in 1881 one-third fewer persons were engaged in agriculture than in 1861. It has been pointed out that the number was reduced still lower, as was shown by the census of 1891. The article referred to shows, that there were employed in England and Wales, the following persons in productive industries:

	1861	1881.
Persons employed in manufacturing,	3,116,800	3,599,000.
“ “ “ agriculture,	2,100,000	1,400,000.
Total,	5,216,800	4,999,000.

or an absolute loss in this time of 217,800 producers in twenty years.

The article states,

Our corrected figures show us that whereas in 1861 productive industries absorbed 26.84 per cent of our population (a better record than even that of the United States) in 1881, only 19.18 were so employed, being a decline of 7.66 per cent, or to put it in the clearest possible way, only 5,000,000 of our population are now engaged in productive industries, instead of 7,000,000 who ought, on the basis of 1861, to be so employed. And this, whilst the number employed in mere distributive work, which on the basis of 1861 should have been only 1,730,000, has increased to the number of 2,363,100.

Sir Edward Sullivan shows³ that in 1880 the number of income tax payers was about 1,300,000, which, estimating five to a family, would represent a population of 6,500,000 persons. On the basis of a population of 34,000,000 in 1881, we have 6,500,000 persons in the tax-paying class, and 27,500,000 others. The free trade statisticians through the Board of Trade returns and other sources have much to say of the 6,500,000,

*Poverty of
the masses
under free
trade.*

¹ Final Report, p. 22.

² Vol. III., p. 643.

³ Prosperity of Arithmetic, Chap. II.

including the merchants, bankers, capitalists, land-owners, traders, brokers, ship-owners, financiers, etc., while the welfare and interest of the 29,500,000 are scarcely regarded as worthy of notice in framing an economic policy for a great nation. Of this vast body called "the masses," Sullivan points out that there are 7,000,000 paupers and 14,000,000 who subsist on earnings of less than \$2.52 per week. In the great free trade program the welfare of nearly 30,000,000 of people is of less importance than the few into whose hands the wealth of the nation has become centred. From an economic point of view the free trade economist regards a vast surplus of labor as a national advantage, since by an abundance of laborers who overstock the market, wages are kept down to a point where hands can be purchased so cheaply that foreign competition can be resisted.

When the policy of protection was introduced under the leadership of Lord Bacon, the country was filled with tramps, beggars, and a degree of destitution prevailed which was most appalling. The immediate causes contributing to this condition have been mentioned. A population of unskilled, ignorant and dependent people, was transformed under the stimulating influences of protection, into skilled artisans, industrious, enterprising and ambitious citizens. Flourishing manufacturing centres sprang up in every part of the realm, and England entered upon a career of industry, thrift, enterprise and grandeur which lifted it above all other nations. From the early part of the eighteenth century to the close of the protectionist period, a steady and gradual increase in earnings took place. During the seventy-five years which preceded the adoption of free trade the wages of laborers increased about one hundred per cent. Although there was an increase in wages between 1846 and 1876 in certain occupations and trades, it was not so great as has been claimed by free trade writers. During the period last named, labor unions took advantage of the monopoly which the English manufacturers held in foreign markets, and in some instances forced from their employers a higher wage rate than otherwise would have existed. But since 1876, since the excessive importations into England of competing commodities have occurred, since the rivalry of the Germans and other Continental nations in neutral markets has become so sharp, neither labor organizations nor any other power has been sufficient to prevent a decrease in wages to meet the new conditions. The universality in the use of machinery and all new appliances and labor-saving devices, the vast accumulation of capital and its concentration in manufacturing, have placed all great commercial nations upon an equality in everything excepting labor cost. Superior skill, artistic taste or technical learning, can no longer be possessed by one country alone. The educational facilities have become so universal, the means of communication so effective, that any new device or idea soon becomes the property of the whole world and is practiced by all.

*Decline of
the wage
rate under
free trade.*

The experience of the English people since 1870 has demonstrated that if England stays in the race under free trade as a competing manufacturing nation, the wage scale of her artisans must ultimately be reduced to the lowest wage scale paid in any competing country. If the United States ever controls foreign trade as against the United Kingdom and Continental nations in manufactures, it must be by the sacrifice of the present wage rate of its laborers. The industrial warfare which has raged between England and Continental countries for the last twenty-five years, has fully demonstrated the truth of this assertion. The effect of Continental competition in neutral markets and in England, upon wages since 1876, furnishes one of the most important economic facts to be found in the commercial history of the world. The statements of economic writers of the free trade school, with reference to wages in England, and the effect of such competition upon them, have at last been subjected to investigation which, while it does not furnish accurate and trustworthy facts on the question as to whether wages in England have increased or declined since the adoption of free trade, exposes the absurdity of many of the free trade arguments. It may be safely asserted that the effect of free competition has been, in many instances, to force a reduction in wages, in other instances to arrest advance, while it has largely increased the body of unemployed and reduced to partial employment many who under protection would have been working at full time. The writer has derived his information upon the subject principally from three sources.

Sources of information.

1. The Royal Commission on Depression of Trade and Industries of 1885-86, appointed by parliament to inquire into the causes of the decline of trade, from which the evidence heretofore quoted was taken.

2. From the proceedings of the Industrial Remuneration Conference, held in January, 1885.

3. From the reports and proceedings of the Royal Commission on Labor, which conducted its investigations from 1891 to 1894.

The Royal Commission of 1885-86, submitted a list of questions to the Chambers of Commerce, Business Men's Associations and Labor Organizations, asking for replies showing the wage rate which had prevailed in England during twenty years, from 1864 to 1884, together with any changes which had taken place during that time. While it appeared from the answers received that in some instances there had been a slight advance in wages since 1876, and that in other instances no reductions had been made; still in the majority of cases it was shown that wages reached their highest point in 1876, having experienced something of an advance from 1864 to that time. But from 1876 to 1884, reductions had taken place which lowered the wage rate to the level of 1864, and in many instances below the rate paid at that time.

Investigation by the Royal Commission.

The writer has compiled from the proceedings of the commission answers which were returned in a great variety of industries, representing

skilled artisans, from which the reader can ascertain the rate of wages paid and the reductions which took place during the twenty years mentioned. This undoubtedly furnishes the most reliable and authentic statement upon the question to be found anywhere. Among the questions submitted were the following:

14. "Q. In your trade has there been any change in the rate of wages during the past twenty years in your district?" The first ten years of the period investigated, was one of general prosperity, but during the last ten years, beginning with 1874, occurred that excessive Continental competition which has been so injurious to English labor and capital, exposed as they were under free trade, to foreign competition at home.

A number of the answers received were as follows:¹

*Engineers
and ma-
chinists.*

Dunkinfield—The Amalgamated Society of Engineers, Machinists, Smiths and Pattern-makers. "Slight advance since 1864. Much more than compensated by the far larger work done in a given time."

Dundee—Engineering and machine making. "Paid by week. Skilled labor 25s., unskilled 15s. The changes are for time work: Per week, 1865, 22s.; 1872, 24s.; 1880, 26s.; 1883, 29s.; 1885, 25s."

Glasgow—Engine making and machine making trade, comprising smiths, fitters, turners, pattern-makers, millwrights, planers, borers, slotters, mechanical draftsmen, brass finishers, and coppersmiths; also joiners employed in the construction of cotton, silk, flax, woolen or other machinery and shipsmiths.

The present rate of wages for skilled workmen in the engineering trade here will scarcely average more than 26s. per week of fifty-four hours, if so much. The price of piece-work here has for twenty years steadily receded, sometimes quicker, sometimes slower, but still always declining; still as the price goes down men scheme and try to make up for each reduction, until for locomotive work it is practically task work. Time wages are nearly down to the level of 1864, perhaps 5 per cent above.

Engineers, machinists, millwrights, smiths and pattern-makers (St. Rollox Division). "For piece-work a general fall of 50 to 75 per cent. Time work wages in busy times, like 1872-73, have risen about 15 per cent, and in dull times again reduced to about the same rate as twenty years ago."

Liverpool—Engineering. "Paid by the hour. Declined to state the rate of wages. During the last twenty years we had an advance of 7½ per cent, and the same amount of reduction at present, working at the reduced rate."

Monifieth—Amalgamated Society of Engineers, Machinists, etc. "We are paid here by the week. At rates varying from 15s. for unskilled to 25s. for skilled labor. From 24s. in 1865, to 27s. in 1876, falling from that time until 1878 to 25s; again rising to 28s. in 1883; then falling again to 25s. in 1885."

¹ Second Report, Royal Commission on Depression of Trade and Industry, Appendix D, Part II.

Preston—Iron working, including fitters, turners, engineers, pattern-makers and smiths. "Almost wholly by time. Average rate about 28s. per week. Practically no change since 1864."

Preston—Second Branch. "Prominent symptoms of the depression are the large quantities of people out of work and no possibility of getting work. Wages average about 28s. per week. Very little change in wages since 1864."

Shipley—The engineering and machine making trade, in connection with woolen and worsted manufacture.

The existing depression is due to the closing of the most important of the foreign markets by hostile tariffs, and a reduction of the purchasing power of our own countrymen. The general average of wages is about 28s. 6d. for society men; non-society men about 24s. Wages are about the same as they were twenty years ago. They would average 2s. or 3s. higher from about 1869 to 1873, but they have since gone down to their old level.

Sunderland—Marine engine building, and all engineering work appertaining to shipping. "Wages have been in 1864 about 27s. per week. They increased to 34s. in 1874, and since then up to the present they have fluctuated between 31s. and 27s. per week."

Plumstead—Steam engines and tools, for the manufacture of steam engines, likewise all classes of machinery. "We are paid 8d. an hour, and some are on piece work. Wages are about the same this last thirty years."

Ayr—Boiler-making and Iron Ship Builders' Society, and bridge and tank makers. "Average time pay is 6d. per hour. In 1882 and 1883 we attained our highest rate of wages, but at present our rate of wages is even lower than at any time previous, both on time and piece-work."

Boiler-makers and iron ship-builders.

Liverpool—Boiler-making and iron ship building. "Skilled workmen from 28s. to 34s. per week. Unskilled workmen 20s. to 24s. per week. Piece work about 15 per cent less than 1864."

Stockton-on-Tees—Boiler-making, iron ship building and bridge roof and gas holder building. "Ship builder's wages are 10 per cent less now than at any time we know."

Waterford—Boiler-making and iron ship building. "Wages by week 27s., 15s., 12s.; 10 per cent reduction."

Birkenhead—Iron moulding. "Paid by the week at 34s. per week of fifty-four hours. Wages are the same now as twenty years ago."

Huddersfield—Iron moulding. "Wages from 5d. to 7d. per hour according to skill. No change in rate of wages for twenty years."

Iron moulders, etc.

Swansea—Iron founding. "In 1865 the wages in the town averaged £1 1s.; now £1 10s.; but at present in the country places it is quite different. Some men are working for as little as 17s. 6d. per week."

Halifax—Coachmakers. "Wages are no more now than they were twenty years ago."

Leeds—Coachmakers' Society. "Wages have decreased."

Oldham—Engineering and mechanical blacksmith. "Skilled labor average wages per day, 5s. 4d. Unskilled, 3s. 4d. No change whatever on time work."

Walsall—Chain, Cartgear and Case Framemakers' Association. "As far as we can calculate the average payment for a week's work done would be about 18s., but from 1870 to 1875 that wage would be 24s. for the same work done."

Callington—Operative Stone Masons' Friendly Society. "Work by the piece. For piece-work 30 per cent lower."

Dalton-in-Furness—Friendly Society of Operative Stone Masons. "The wages per hour are $6\frac{1}{2}$ to $7\frac{1}{2}d.$ For piece-work the rate has been reduced one-half exactly. For day or hour work the rate is very near what it was twenty years ago. There have been fluctuations, sometimes higher, sometimes lower, but the last few years never lower than they are at present."

Buxton—Carpenters and joiners. "Wages $7\frac{1}{4}d.$, $7d.$, $6\frac{1}{2}d.$ For time work in 1875, the wages were 33s. per week for forty-nine and one-half hours. In 1877, were dropped to the present price, 30s. per week, forty-nine and one-half hours."

London—The United Coconut Fibre Mat and Matting Weavers' Society. "Work by piece. There has been a reduction of 30 per cent."

Ashton-under-Lyme—Power Loom Weavers' Association. Cotton manufactures. "All piece-work. In this district there has been a general reduction of 15 per cent in the price paid for weaving, in some cases as much as 33 per cent."

Todmorden—Power loom, cotton weaving. "Work by the piece at about an average of 15 to 20 per cent below the wages paid for weaving for twenty years preceding 1878."

Blackburn—Power loom overlookers in cotton mills. "We have suffered a reduction of 10 per cent."

Congleton—Ribbon trimming and band weaving. Ribbon Weavers' Friendly Society. "The rate of 1860, except for three years, 1870-73, never reached. Any price offered has been accepted lately."

Shaw—Cotton industry. Card and Blowing-room Association. "The male portion are all paid by the week, but there are so many prices paid that I cannot particularize them for you, only on the following scale: some at 26s. per week; some, 23s. per week; some, 21s. 1d.; some, 20s., and some at 18s. There have been three reductions in our trade during the last twenty years, at 5 per cent on every occasion."

Mossley—Cotton trade. Strippers and grinders. Male and female. Card and Blowing-room Operatives' Association. "Wages per week 18s. Reduction 15 per cent."

Stone
masons
and car-
penters.

Weavers—
Cotton
industries.

Leicestershire—Sock and Top Society. Children's socks. About 1100 skilled workmen employed. Female adults about one hundred. Between thirteen and eighteen years, 300 female workers. About seven hundred men wholly out of employment and the remainder partly. Female workers in the same proportion.

From 1865 to 1875 we obtained three advances in our wages, of an average of 11 per cent each time, besides abolishing a system of frame rents, which was a gain to the workmen of about 4s. per week. Since 1875 we have had two reductions in wages of an average of 10 per cent each. I should say the increase left us for piece-work is about 6s. per week, to a quick hand. In the old time our wages were wretchedly low, and with all our commercial prosperity of the last twenty-five years, we could now only barely live if we had plenty of work.

Leicester—Elastic Web Weavers' Association. "The rate of wages is quite 50 per cent lower in piece-work; time work being only recently introduced, has not changed materially.

Other trades.

Aberdare—The Amalgamated Society of Boot and Shoemakers. "The wages by the week are from 15s. to 30s., and a lot of boys and girls employed at from 7s. to 10s. We had only one change of wages and that was in 1872. We had a rise of 15 per cent, but since it has been taken back and more with it with most of them. We are only three that claim the wages of 1872 at the present time."

London—United Society of Journeymen Curriers. "Wages in piece-work and hour work from 6d. to 7d. an hour. Not much change in twenty years. In some cases men are working for less than ever."

Preston—Letter-press printing. "Jobbing houses pay 30s. per week. Newspapers are all piece-work. Piece-work on newspapers same now as twenty years ago."

Scarsborough—Letter-press printing. "By the week wages 20s. and 28s. Wages have increased from 24s. to a minimum of 28s. per week."

Sunderland—Sunderland Branch of Typographical Association Letter-press Printers. "Wages by the week 26s. The change in wages of the printing profession during the last twenty years is scarcely worth mentioning; 1s. a week advance."

Typton—West Bromwich, Oldbury, Typton, Cosley, Amalgamated Association of Miners. "Men employed in and about coal and iron stone mines. During the last twenty years the wages have varied at different periods, namely, from 4s. 6d. per day, to 5s. per day, and to 3s. 8d. and 3s. 4d. per day."

London—Dressmakers, Milliners and Mantle Makers' Society. "Wages have risen from 6s. to 18s. per week. Wages paid twenty years ago were from 6s. to 12s. per week. At the present time some employers are offering less wages to those who will accept them."

Dublin—Flint Glassmakers' Society of Great Britain and Ireland. "The few men employed in Dublin at the flint glass trade at the present

Glass-workers.

time are in a starving state, their weekly pay being but 13s. per week, with four and five children to keep, and pay 3s. a week for one room."

"By the piece, the workmen receive less than they did six years ago for the same time. The rate of wages has gone down very much within the last twenty years; men could earn £2, they are now getting 15s. per week."

Sunderland—Window Glass Workers' Assembly No. 3504.

All those engaged in the manufacture of glass, viz., blowers, gatherers and flatteners are paid by the piece. Warehousemen are paid 20s. to 26s. per week. Have had from 30 to 40 per cent reduction. The most prominent symptoms are the English markets overstocked with foreign manufactured glass which is sold at a very low price, consequently the English consumer buys the cheapest article in the market at the lowest price, hence the depression in the English window glass trade.

Edinburgh—Trades' Council, representing twenty-five trade societies. "The average wage for skillful male labor for the whole year is 22s. per week. In many trades there has been an apparent increase of wages, but the real wages are lower now than for many years."

Leicester—Cabinet-makers and wood carvers.

The work here is paid for by the hour, by piece, and by lump. The general rate is 7d. per hour, but there are more receiving less than that.

(a) Owing to a larger introduction of machinery I don't think the piece-work is any better paid for, if so well as it was, because at every fresh innovation or improvement to lessen labor a corresponding amount is deducted from the price paid for the article.

(b) For time work there is a considerable advance in the last twenty years, for whereas men used to receive about 24s. to 28s. per week of about fifty-eight hours, they now get at least 32s. or 34s. for fifty-six hours. In this I am referring to the better class of men, for there are plenty working at from £1 to 28s. per week, and thankful to get even that.

Cabinet-makers.

Bath and Combe Down—Alliance Cabinet Makers' Association. Cabinet-makers, carvers and turners.

The number of hours worked by us in this district is about six per week less than twenty years ago; it was about sixty per week then, now it is fifty-four in some shops, in others fifty-six.

As a rule we are paid by the piece. In some instances by the hour and also by the week. The present rate of wages varies from 24s. to 30s. per week. There has been very little change in the rate of wages for time work during the last twenty years, not more than 2s. per week has it increased since that time.

(a) With regard to piece-work, it is regulated according to the amount of work done by the machines, which is very considerable. In some instances the machine does one-half the work. The total production per week is above the average of the last twenty years.

The commission also called upon the Chambers of Commerce and Business Men's Associations to state whether the wages "for skilled labor and unskilled labor is above or below the average of the last twenty years."

The following answers¹ were received from some of the principal Chambers of Commerce of manufacturing centres:

*Reports of
the Cham-
bers of
Commerce.*

Bately—"The rate of wages about the same."

Belfast—"The present rate of wages is slightly below the average of the last twenty years."

Birmingham—"For skilled the same, but unskilled labor is below the average for the last twenty years."

Bristall (near Leeds)—"Skilled and unskilled labor is below the average for the last twenty years."

Cleckheaton—"The rate of wages in our textile factories is maintained at fair average, while the rate in the industries enumerated in No. 6 (machinery, card clothing, leather, coal and iron, chemicals, building), is under the average."

Dudley—"For skilled labor the average is somewhat less."

Dundee—"The rate of wages is at present lower than it has been for the past ten or twelve years, and also slightly lower than the average of the past twenty years. This is general, but it applies both to the skilled and unskilled labor."

Huddersfield—"The shorter hours for labor of all kinds and, owing to more efficient machinery, the increased quantity and quality of the work turned out by each workman, have much to do with this question." This wool manufacturing centre evades the question.

Liverpool—Watchmaking. "The wages have been pretty well wiped out, because the great bulk of the operatives have been wiped out of the trade."

Luton—"Above for the manufacture of straw hats, etc.; below for the making of straw plaits."

Manchester—"The rate of wages should be taken in connection with the purchasing power of the wages. Having regard to this, the workman is at the present time better remunerated than ever he has been in the past."

North Staffordshire—"Coal and iron are paying a lower rate of wages now than they have averaged for the past twenty years."

Ossett—"Skilled labor is at a lower price now than at any time during the last twenty years. Unskilled labor is plentiful now, and considerably below any time during the last twenty years."

Sunderland—"The rate of wages both for skilled and unskilled labor is above the average of the last twenty years, except in the glass bottle trade, in which the wages are below the average."

Coventry—"The rate of wages in the watch trade, as applied to skilled labor, is something below the average of the last twenty years. The rate of wages paid in the ribbon trade is much below the average."

¹ Royal Commission, First Report, Appendix A.

Newcastle.

The actual present rate of wages for skilled labor is lower than it was four or five years ago; it is still, however, not below the average of the last twenty years, particularly if the shorter hours worked are taken into account, and if the unprecedented cheapness of all the necessities of life are allowed for, the remuneration for the quantity of labor expended by skilled operatives is now above the average of the last twenty years.

Tidmorden—Iron moulders. "Iron moulders at present are receiving 34*s.* per week of fifty-four hours. From 1875 to 1877 we were receiving 36*s.* per week. In 1855 moulders in this branch were receiving 34*s.* per week."

Warrington—Iron moulders. "Wages 34*s.* per week of fifty-four hours. Twenty years ago the same wages as now."

Glasgow—Shipwrights. "In 1865 time work £1 16*s.* In 1885, £1 10*s.* 4½*d.*, being 30*s.* 4½*d.* at present for fifty-four hours per week, the lowest amount for the last fourteen years, and 5*s.* 7½*d.* less per week than we received twenty years ago."

Adrossam—Associated Blacksmiths' Society. "Wages from 22*s.* to 27*s.* per week; 15 per cent reduction for time work."

Remfrew—Associated Blacksmiths' Society. "Piece-work rate has fallen 35 per cent in the last twenty years. Time work much the same."

Carlisle—Coachmaking. "Wages per week 20*s.* to 30*s.* Reduction of 2*s.* per week."

Dublin—Coachmaking. "The minimum rate of wages all round is about 20*s.* 6*d.* per week. Piece prices are very much reduced and time work also."

Dundee—Coach building. "All paid by the week. Body-makers 20*s.* to 29*s.* per week. Carriage makers, 23*s.* to 27*s.* per week. Wheel makers, 20*s.* to 29*s.* per week."

"Coach smiths, 24*s.* to 31*s.* per week; vise-men or coach fitters, 17*s.* to 23*s.* per week; trimmers, 20*s.* to 29*s.* per week; painters, 20*s.* to 29*s.* per week."

London—"Unskilled labor occupies a much worse position worthy of the special study of the Royal Commission. The influx of families from agricultural districts, has caused the supply of this class of labor to exceed the demand."

Sheffield.

It is very difficult to estimate the rate of wages for skilled and unskilled labor for an average of twenty years, especially when it has, as is the case under consideration, covered violent fluctuations in trade; but in the opinion of this Chamber, the present rate of wages in relation to the services rendered, and to the quality and quantity of work produced is, if measured by money payments, very nearly equal to the average of the last twenty years.

The working classes do not suffer so much from a reduction in the rate of wages as from the reduction in the number of hours during which they can be employed, although, in some branches of the trade, the rate of wages has, no doubt, been reduced. "Short work," however, is their

greatest grievance, and this is of course brought about by the present state of depression.

Tyne Ports—"Seamen's wages are below the average of the last twenty years."

The following answers were received from the principal commercial associations of the United Kingdom:¹

Belfast—Linen Merchants Associations. "Slightly below the average of the last twenty years, which include some inflated years immediately succeeding the termination of the American war."

North of England Iron Manufacturers' Association—"Skilled and unskilled below the average."

Leather Trade Association—"Skilled labor is about the same as the average twenty years since."

It should be borne in mind that the reduction in wages which took place between 1876 and 1885 was not caused by any sudden depression in trade, of short duration, but that it came about gradually through a period of about ten years following the Franco-Prussian war, and was accompanied year by year by the increase of the imports into England of competing commodities, together with the increased rivalry and competition in neutral markets. The English manufacturers were compelled to reduce wages not only to hold their own markets, but to prevent a larger portion of their home trade from being taken from them. This is fully established by the evidence that has been quoted from the silk, cotton, woollen, iron, lace and other manufactures. This important fact that the English people have been compelled to reduce wages to meet Continental competition, exposes the sophistry of those arguments of the free trade writers in which they attempt to show that high wages mean cheap production. It should be borne in mind that the competition to which England is subjected is not of unskilled hand-workmen, but that to-day nearly 200,000,000 people in Europe are struggling for commercial supremacy, provided with all modern improvements and appliances. The cost of raw material is about the same to all nations. It is only a small item when compared with labor cost.

Another item which should be taken into consideration, in estimating the effect of free trade on the laboring masses, is the absolute loss of employment which has been sustained.

The Minority Report of the Royal Commission on Depression of Trade and Industry stated:

We think the insufficiency of employment is the most serious feature of the existing depression; and it is an important, indeed an anxious question, whether, in the face of the ever-increasing restrictions placed upon our industry by foreign tariffs, and the ever-increasing invasion of our home market by foreign productions admitted duty free, we shall be able to command a sufficiency of employment for our rapidly growing population.

Reports of commercial associations.

Reduction of wages necessary in order to meet foreign competition.

¹ Royal Commission on Depression of Trade and Industry, First Report, Appendix B.

*Discussion
of statistics
at the In-
dustrial
Remunera-
tion Con-
ference.*

In 1882 Mr. Robert Giffen, the chief statistician of the free trade party and the head of the statistical department of the government, published a comparison of wages between 1832 and 1882, from which the following is taken:

OCCUPATION.	PLACE.	Wages Fifty Years Ago. 1832.	Wages in 1882.
		<i>s. d.</i>	<i>s. d.</i>
Carpenters, ...	Manchester, ...	24 0	34 0
"	Glasgow, ...	14 0	26 0
Bricklayers, ...	Manchester, ...	24 0	36 0
"	Glasgow, ...	15 0	27 0
Masons, ...	Manchester, ...	24 0	29 10
"	Glasgow, ...	14 0	23 8
Miners (per day), ...	Staffordshire, ...	2 8	4 0

A considerable advance is shown by the above estimate, but the reader will note, however, that Mr. Giffen was compelled to go back half a century in order to find a basis from which such results could be reached. Even though the rates given in 1832 are conceded to be accurate, they become of less importance, because free trade was only in part adopted in 1846, and not until about 1860 was protection withdrawn from all industries. This leaves fourteen years of protection in textile and metals, following 1832, and twenty-eight years of protection to the silk and many other industries embraced within the period covered. It has been proven by very trustworthy authorities that the figures presented by Mr. Giffen for 1832 are too low, and those given for 1882 are in many instances too high.

The publication of Mr. Giffen's tables brought out investigations and precipitated a sharp controversy upon the question as to whether there had been an advance or decline in wages and earnings. This question was under discussion at the Industrial Remuneration Conference in 1886, when the following table was presented by Mr. J. G. Hutchinson, to prove the inaccuracy of Mr. Giffen's tables, especially for 1832:

	1832.	1871.	1876.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Cotton spinners, ...	Porter, 38 0		Bevan, 28 4
Cotton weavers, ...	Symonds, 14 6		
Woolen spinners, ...	" 21 0	Bevan, 19 0	" 28 0
Woolen weavers, ...	" 14 0	" 13 0	" 17 0
Woolen dressers, ...	Wade, 21 0	" 20 10	" 23 6
Flaxmen, ...	Porter, 16 7	" 19 9	
Flaxwomen, ...	" 8 2	" 13 0	
Coal miners, per day, ...	Symonds, 3 6	" 4 9	" 5 2
Iron-founders, ...	" 29 0	" 34 0	
Machine makers, ...	" 28 0	" 30 0	
Carpenters, Greenwich, ...	32 6		39 8
Carpenters, country, average, ...	22 6		27 0
Masons, Greenwich, ...	31 6		39 8
Masons, country, average, ...	24 9		29 0
Bricklayers, Greenwich, ...	28 6		
Bricklayers, country, average, ...	24 0		1 29 0

¹ Report, p. 52.

In discussing this question before the Industrial Remuneration Conference, Mr. Benjamin Jones, of the Co-operative Wholesale Society, said:

Mr. Hey, of the iron founders, had been at the trouble of taking from the books of that association the average wages from the year 1855 to the present time, and had entered into careful details as to deductions made for holidays, short time, sickness and so on. After these deductions, Mr. Hey had ascertained that for the ten years, 1855-65, the net wages of iron founders throughout the kingdom were £1 4s. 6d. per week; for the ten years, 1865-75, £1 5s. 6d.; and for the ten years, 1875-85, £1 5s. 5½d. Where, then, was the increase of wages which Mr. Giffen had estimated?¹

The whole question is reviewed by Mr. Jones, in an article published in the Times in which the unfair methods resorted to, and the inaccuracies of Mr. Giffen are exposed, as follows:

Since Mr. Giffen read his paper I have attempted, so far as my limited opportunities would permit, to ascertain the accuracy of his comparative statistics, and I find they are the reverse of satisfactory. First, in the "Miscellaneous Statistics of the United Kingdom," published about fifty years ago under the direction of Mr. Potter, there are numerous statements of the rates of wages current at that time. Mr. Giffen has only culled one here and one there, and apparently those only which told the most in favor of his conclusions. Secondly, the figures he does give, both for the past and the present, are in some cases misleading, and are not to be depended upon; and thirdly, he has entirely overlooked circumstances adversely affecting the working classes at the present time, while, apparently, he has very carefully reckoned up everything that would put a rosy color upon their present condition. In fact, he appears to have gone on the principle of using black ink for the past and red ink for the present. The following instances may be given of his inaccuracies: He says the wages of carpenters at Manchester fifty years ago were 24s., and now they are 34s., the increase being 42 per cent. The early wage is accurate; but, from inquiries made for me at Manchester, I find that the general wage now paid there is not 34s. but 31s. 10d., which reduces the percentage from 42 to 32, or a reduction of nearly one-fourth. From this has to be deducted the adverse circumstance that, while in the former period carpenters were on weekly wages, at the latter period they are on hourly wages and are stopped off their work at any moment by changes of weather, the consequence being that they are compelled to lose more time now than formerly, which prevents them earning their full nominal wages. Again, take bricklayers' laborers in Manchester. The "Miscellaneous Statistics" show that in 1825 they were getting 16s. per week. Information supplied to me from Manchester shows that they now get 21s. 3d. per week, subject to the disadvantage of hourly pay as against weekly. The increase here is 5s. 3d. per week, or 32 per cent. Mr. Giffen fixes the wages of these men at 12s. per week fifty years ago, and at 22s. now, or an increase of 83 per cent. In Londonderry the wages of laborers in 1832 were 8s. per week. At present they are from 12s. to 15s. a week, the same hours being worked as previously, or an average of 13s. 6d. This gives an increase of 68 per cent. Mr. Giffen gives the figures as 8s. and 16s., or 100 per cent increase. He also gives the wages of London dock companies' laborers in 1833 as 15s. per week. A reference to the "Miscellaneous Statistics" shows that there were three rates, viz., 15s., 16s. 6d., and 18s.; but Mr. Giffen ignores the two higher figures. A final instance of his inaccuracy is to be found in his comparison of seamen's wages. According to the "Miscellaneous Statistics of the United Kingdom," the wages of seamen in sailing ships in 1833 were, from the first of April to the first of October, £2 10s. per month, and from the first of October to the first of April, £3 10s. per month,

*Inaccuracy
of Giffen's
statistics.*

¹ Report, p. 67.

or an average of £3 per month. The wages of able seamen in sailing ships in 1883 varied from 55s. to 65s., or just about the same as in 1833. There is no advance of wages here shown, and there are, I believe, no shorter hours worked by these men; but the shipping statistics show that a given number of men have to work double the tonnage they worked thirty years ago. The way Mr. Giffen treats this industry is to ignore the rate of wages paid fifty years ago; to ignore the double work performed by the men now as against thirty years ago; to ignore a comparison between able seamen in sailing ships now as against an earlier period; and to satisfy himself by comparing the wages of seamen in sailing ships in 1850 with the wages of seamen in steamships only in 1883. The result is that he brings out a delusive increase in wages of seamen of 25 to 70 per cent, when in fact there had in that particular class been none at all, although double tonnage was being worked by every man.

*Wage rate
of 1832
and 1882
compared.*

Again Mr. Jones writes:

Now let us consider the rates of wages fifty years ago as given in the "Miscellaneous Statistics of the United Kingdom," and compare them with those obtaining at the present time, but which Mr. Giffen had either overlooked or ignored. (1) A gentleman in Londonderry tells me that coachmakers there get on an average 23s. per week. In 1832 the Blue-book shows they were getting 20s. This is an increase of 15 per cent only. (2) The "Miscellaneous Statistics" show power loom weavers at Manchester in 1832 getting 13s. to 16s. 10d., or an average of 14s. 11d. per week. Information supplied me from Manchester shows that the power loom weavers now average 15s. 6d. per week, or only a trifle over the pay of fifty years ago. Card-room jobbers in 1832 received 14s. 6d. to 17s. per week. They now receive 15s. to 18s., or barely 5 per cent increase. (3) A relative over seventy years of age tells me that throstle spinners got 9s. per week over fifty years ago and get 11s. per week now, and cotton mixers got 18s. per week then and only 16s. per week now. (4) I find in a book, "Arts and Artisans," published in 1839 by J. C. Symons, an Assistant Commissioner on the Handloom Inquiry, that it is stated on the authority of Mr. W. Dixon, one of the largest proprietors of collieries in Great Britain, that the average earnings of colliers at the Govan collieries in 1833 were 4s. per day of ten hours, with house and coal free. This, too, was the lowest rate that prevailed from 1824 to 1837, with the exception of the year 1831, when the rate was 3s. 11d., and during these fourteen years the wages ran at one time to over 5s. per day. A gentleman in Glasgow sends me word that the wages of colliers at the present time average 3s. 6d. per day of ten hours, or 15 per cent less than the wages of fifty years ago. (5) Coming to London, the assistant secretary to the Ironfounders' Association tells me that the wages in their trade fifty years ago were from 32s. to 38s. per week, or an average of 35s. (6) Now their average wages are 38s. per week, being an increase of about 8 per cent. The London compositors received wages in 1833 on the basis of 36s. per week for bookwork. In 1883 the same rate of wages prevailed. (7) In connection, too, with the shorter hours of labor worked now by some of the trades, such as the building trades, it must be pointed out that while fifty years ago they could live within a short distance of their work, and so lose very little time in getting to it, they now have to spend fully the time gained by shorter hours of labor in traveling to and from home and work. Moreover, they have to pay railway fares, and they have also to pay increased house rents.¹

The efforts on the part of Mr. Giffen and members of the Cobden Club, to prove that the wage-earners of the United Kingdom were receiving higher wages under free trade than they had received in former years under protection, called forth an article from the Sheffield Daily Telegram

¹ Fair Trade Journal, Vol. 1., p. 227

on Wednesday, January 18, 1885, in which the "labor statistics" for Sheffield, published by the Board of Trade, were analyzed, and the inaccuracies of free trade statisticians exposed. The country had been for some time deluged with articles in free trade newspapers, designed to show that an appalling state of affairs existed in England under protection. The Daily Telegram said:

We had searched and searched again for some vestige of a record of that ghostly era, but we had searched in vain. Solemnized as we were by a haunting vision of a skeleton generation "with sallow lantern-jaws," we peered into the dark epoch—1811-1836—when, according to one voracious politician, Sheffielders must have worked at their benches in their bones, so we naturally hailed the laborious work of so great a statistician, and so unimpeachable a Liberal with a feeling of relief. "Here," said we, "here between these two blue covers—here, if anywhere, we shall come upon those appalling twenty-five years when the people had no bread, and were, in consequence, reduced to phantasms—mere screeds of phosphorescent vapor." Cautiously and with such a hush of apprehension as Blue Beard's wife felt, we have opened the supposed skeleton closet, but unlike the lady, we have seen no skeletons. What we have seen is this. Our working cutlers were earning from "15s. to 40s. weekly;" our file cutters, "18s. to 25s.;" our file grinders, "35s. to 45s.;" our saw handle makers, "30s. to 40s. in five years out of six, and 30s. in the odd year;" our saw makers, "40s." in the period of 1810-26, and "30s. to 40s." in the period of 1830-33; our steel melters, "£5 per week" in 1798, in 1810, 1822, 1826, "£4 10s." in 1829, 1830 and 1833; our grinders, "£7" per week in 1810, "£5" in 1822, "£6" in 1826, "£5 10s." in 1829, "£5" in 1830, and "£5" in 1833. These facts are printed in official type, under the head of "Average Weekly Earnings of Workmen." Here, reader, behold how poverty deepened under "a continual bread famine!" "If you have tears, prepare to shed them now."

Further exposure of free trade misrepresentations.

Now it was no other than Mr. Giffen who once startled us by saying that "fifty years ago our English working people had only bacon, and very little of that, in the shape of animal food." His words were positive and uncompromising, for he added, "They got no other meat." His words went through all the public papers, and young free traders sighed to think that their fathers "got no other meat" than now and then a snippet of bacon. That was sad; so sad it was that it seemed to explain why, in four consecutive years the skies wept and sorrowed so incontinently as to drown the harvests. But it occurred to us that we must have been living in some other planet "fifty years ago"—supposing Mr. Giffen correct in his statements. He spoke in the autumn of 1883, therefore his "got no other meat" referred to 1833. Now in that year, 1833, "our grinders had £5 per week, our steel melters £4, our saw and saw handle makers 30s. to 40s.," and although no figures are given for cutlers, file cutters and file grinders, in 1833 we find, on Mr. Giffen's own showing, that in 1832 they were in clover. What 1833 was like hereabouts is plainly set forth in the *Sheffield Annual Register*—a compilation of facts issued from the same office as the ghastly picture of the "continual bread famine," which lasted from 1811 to 1836 inclusive:—"November 9, 1833. Hardware Trade: We have heard with much pleasure from several quarters that the trade of the town is now generally brisk, and there exists an unusual degree of satisfaction both among the masters and workmen." There is much more to the same effect, but this is enough. "An unusual degree of satisfaction both among masters and workmen" shows that the spectral starvelings of that period of famine could, like Mark Tapley, be "jolly" under all circumstances. Depression in trade, and absolute deprivation of meat, had no power to depress them. Of course they could have had "no meat," for Mr. Giffen has said so, but they had in one day (November

Wages in Sheffield in 1833.

28) "300 tons of cheese" at Sheffield fair, and they had, some of them 30s., some 35s., some 40s., some 80s., and some 100s. per week, and upon such poor pittances as those they contrived to support "the famine" with Christian fortitude and philosophic resignation. The Sheffielders of 1833 bore up wonderfully under their afflictions. They were not an exceedingly great multitude, but they had—shadows as they were—about £100,000 in the savings bank; for in those doleful days even the ghosts saved money and banked it. It is pleasant to know these things; it helps one to breathe more freely.¹

*Purchasing
power of
wages in
1833.*

Members of the Cobden Club attempt to console British laborers with the free trade dogma, stated as follows by Mr. Giffen, that "what concerns them most was not money wages, but real wages, and it was quite possible that with money wages falling, their real condition might improve, owing to the increased fall in the price of the principal commodities which they consume." The facts revealed by the evidence before the Royal Commission on Trade and Industry, show that in many instances money wages were lessened through actual reductions, but more universally through lack of employment. The dogmatic free trader comes forward with his fine-spun theory that this is compensated for by a decline in the prices of consumable commodities. Under this contention it is asserted that on the whole his condition is improved when compared with former years. This was one of the questions discussed before the Industrial Remuneration Conference. Mr. J. B. Hutchinson read a paper before the conference upon this question, in which he compared the purchasing power of a week's earnings of cotton spinners in 1804, 1814, 1833, and 1836, and of 1876. Upon the earlier period he cited the following table from Porter's "Progress of the Nation:"

Years.	Work Turned Off by One Spinner per Week.		Wages per Week.			Hours of Work per Week.	Prices from Greenwich Hospital Records.		Quantities which a Week's Net Earnings would Purchase.	
	Lbs.	Nos.	Gross.	Pieces.	Net		Flour per Sack.	Flesh per lb.	Lbs of Flour.	Lbs. of Flesh.
1804	12	180	s. d. 60 0	s. d. 27 6	s. d. 32 6	74	s. d. 83 0	d. d. 6 to 7	117	62½
"	9	200	67 6	31 0	36 6	74	83 0	6 to 7	124	73
1814	18	180	72 0	27 6	44 6	74	70 6	8	175	67
"	13½	200	90 0	30 0	60 0	74	70 6	8	239	90
1833	22½	180	54 8	21 0	33 8	69	45 0	6	210	67
"	19	200	65 3	22 6	42 9	69	45 0	6	267	85 2

The sack of flour is taken at 280 lbs. The above is the result of an average of several men's work at the different periods. As a comparison with the above, the average earnings of cotton spinners at Manchester in 1876, from Bevan's Industrial Classes and Industrial Statistics, was given as follows:

¹ Sheffield Daily Telegram, Wednesday, January 18, 1885. Fair Trade Journal, Vol. III., p. 184 and 185. ² Page 194.

Year.	Wages.	Flour per Sack.	Flesh per Lb.	Quantities which a Week's Net Earnings would Purchase.	
				Lbs. of Flour.	Lbs. of Flesh.
1876	28s. 4d.	43s. 4d.	10d.	182	34

Mr. Hutchinson said:

From this it is evident that not only were a spinner's wages in 1833 higher than in 1876, but the purchasing power of his earnings was considerably in his favor also. We do not deem it necessary to multiply examples, but we will give below some additional evidence to show that the wages given for 1833 were not the highest for that time.¹

It appears from the foregoing that during the period of protection from 1804 to 1833, the net weekly earnings of spinners increased from 32s. 6d. to 42s. 9d., while the purchasing power of his earnings also increased. While in 1833 the weekly wage would purchase from 210 to 267 pounds of flour, and from sixty-seven to eighty-five pounds of meat, in 1876 it had been reduced to 28s. a week, and would purchase only 182 pounds of flour and thirty-four pounds of meat. It should be borne in mind that the rate given by Bevan in 1876 was ascertained before the decline in wages took place as shown by the evidence before the Royal Commission on Trade and Industry.

In considering the purchasing power of the weekly earnings of an English artisan, the question of increased rent should not be lost sight of. Mr. Robert Giffen, in attempting to show the condition of the laboring classes in 1884, in comparison with 1832, stated that, "House rents may be considered to be now, one and a half times more than they were fifty years ago."

Increased rents.

Miss Edith Simcox, in a paper read before the Industrial Remuneration Conference² pointed out the error committed by Mr. Giffen, by citing a report published in the Journal of the Statistical Society in 1840, giving an investigation which was made upon personal visits to 5000 working class dwellings in the neighborhood of Westminster, of which the average rental was 2s. 11d., and that a similar inquiry was made by the Pall Mall Gazette in 1885, of 763 tenements in the same locality, which showed an average rental of 8s. 2d., which is nearly three times the rent of the former period, instead of one and a half times, as stated by Mr. Giffen.

While it is undoubtedly true, that some improvement has been made in recent years in the dwellings of the laboring people, yet they remain as a whole, in a miserable and unwholesome condition, and that the wages earned are insufficient to afford better accommodations cannot be denied. If the wage-earners of the United Kingdom could afford better houses, it would induce improvements in tenements, but so long as the blighting influence of free trade prevents increased earnings, no

¹ Report of Industrial Remuneration Conference, p. 50.

² Report, pp. 103 and 104.

*Price of
clothing.*

inducements will be offered to property owners to furnish better tenements and dwellings.

The question of prices and cheap clothing was touched upon by Mr. Burns, by whom the real truth of the cheap clothing argument so often advanced by free traders was very clearly set forth as follows:

With regard to the purchasing power of money, meat was at least 50 per cent dearer than it was twenty-five years ago. It was, however, true that boots were cheaper! It used to be said, "There is nothing like leather;" but the shoemaker of the present day appeared to have reversed that saying by substituting another, "There is nothing like brown paper;" and he gave them plenty of it. What was said of boots applied to clothing, such as moleskins and corduroys, which, although decreased 25 per cent in price, had diminished 125 per cent in quality. In fact, the clothes sold to the working classes at the shoddy shops were similar to the goods supplied to the natives on the banks of the Niger and the Congo, where he had been. He remembered seeing a native on the banks of the Niger washing some of his clothes. They had recently been brought from England, and by the time he had rinsed the water, blue and size out of them, there was very little left for him to wear.¹

*Condition
of the
laborer
worse than
in the past.*

The alleged advantage which the British artisan has over the American in the way of cheap clothing, has found a place in the free trade literature of recent campaigns in the United States. The free trade agitator has attempted to make it appear that although English laborers receive lower wages, they wear all wool and very durable clothing, purchased at a comparatively small price.

Taking into consideration the increase in rents, the advance in certain necessities, making all allowances for a decline in prices of other commodities, the low wages and lack of employment leave the skilled artisan of the country in a most miserable condition with the chances in favor of his dying in an almshouse. While there has been an advance of 50 per cent in rent, the price of butcher's meat and eggs, has risen from 10 to 40 per cent since 1840. Bread, butter and vegetables remain about the same, and the price of tea, coffee, sugar, soap, syrups, marmalades and clothing has declined. His wages have either stood still or declined, when measured by the week; but when measured by actual earnings they have declined through a lack of employment. A careful examination of the literature and discussions bearing upon this phase of economic conditions ought to satisfy any candid reader that the mass of British laborers are in a more deplorable condition and confronted with a more serious problem as to their future welfare than at any time in recent years.

It is a most brazen piece of deception to contend that through the reduced price of the necessities of life, British artisans and laborers are nearly or quite as well off as those of the United States. The mere reduction in the cost of a few necessities of life, only in part compensates

¹ Report of Industrial Remuneration Conference, p. 70.

for the many other elements which drag them down and bind them to a hopeless and increasing condition of industrial servitude.

A decline in prices may benefit the laborers of a nation, if it is not brought about at the expense of their own incomes. But when the sacrifice in earnings is proportionately greater, and outweighs such advantages, on the whole, he suffers a loss. Under protection in the United States the wage-earners have enjoyed a gradual advance in money wages since 1859, and an increase in real wages by its greater purchasing power, through a decline in prices, besides a constantly increasing field of employment through the expansion of industries. This is one of the greatest triumphs of the system of protection. In England free trade has brought a degree of reduced wages and lack of employment, which more than overbalances the enlarged purchasing power of money. This is the fixed and permanent condition of those who are able to get work, while there is an ever increasing body of laborers unable to find employment, subsisting on private and public charities, with all hope gone of ever seeing better days under free trade.

We are fortunately able to give recent official expressions upon this question. A Labor Commission was appointed by parliament in 1891, which during the following three years investigated numerous questions affecting the laborers of the country. The investigation of strikes, lock-outs, relations of employers and employed, labor legislation, and many other phases of the question was quite thorough, both as to England and foreign countries. Upon the question of the present wage rate the reports of the investigation are quite complete as to all general trades. They also contain a very full statement of the wages of women in nearly all industries. The report does not disclose as thorough an investigation into the wages of those engaged in the textile industries, hardware, cutlery, and various competing industries affected by the system of free imports. Yet, sufficient is given to show a lower wage rate in all employments than has been reported by United States Consuls and private individuals who had made statements upon the question with the exception, of course, of those manufacturers who have removed their plants to the United States and furnished either to Congressional investigating committees or to the press statements of wages which were paid by them in both countries. The reader will find a statement of the wages paid in the various trades as reported by this Commission, in the table of comparative wages.

Royal Commission on Labor, 1891-4.

While a few instances of advance in wages within the past few years are mentioned as having taken place in certain localities and trades, yet it does not appear by the final report which contains a summary of the investigation of wages that any specific inquiry was made upon the question of advance or decline in wages, neither was a special investigation made into a comparison of the present wage rate with that of former

*Report of
Royal Com-
mission on
Labor—
The move-
ment of
wages.*

times. In this respect the investigation differed from the one held in 1885, which specifically inquired into the changes which had taken place during a period of twenty years, from 1864 to 1884.

It appeared from the report that about the year 1891, there took place advances in the wages of carpenters, bricklayers, plumbers, plasterers and stonemasons in a number of districts. The report states: "In the majority of these trades there have been recent advances in wages which are attributed to trade union efforts and in some cases to the effect of strikes."¹

The advance spoken of was not shown to be universal, or of any considerable amount. After taking this into consideration a comparison of the wages of this class of skilled laborers in 1892, with former periods is as follows:

WEEKLY EARNINGS IN THE FOLLOWING OCCUPATIONS.

OCCUPATIONS.	1833.	1853.	1892.
Bricklayers, ...	\$6 84	\$7 20 to \$7 68	\$7 80
Masons, ...	7 56	6 48 to 7 20	7 74
Carpenters, ...	7 80	6 48 to 7 20	7 68
Painters, ...	.	6 24 to 6 96	7 43
Plumbers, ...	7 80	6 48 to 7 20	7 80
Compositors—			
Job work, ...	8 46		7 44
Morning paper, ...	11 52		10 14
Evening paper, ...	10 44		8 28

The wages for 1833 are taken from Porter's "Progress of the Nation."² The wages of carpenters, bricklayers, and plumbers were those paid by the Greenwich Hospital. It should be stated, however, that the wages paid at Greenwich Hospital were perhaps higher than the general average of the country. Those for 1853 are taken from the "Charter of the Nations,"³ being the wages paid "by one of the largest building firms in Lancashire." Those for 1892 are the average wages given by the Royal Commission on Labor for the United Kingdom.⁴

In addition to the low wages of this class of artisans they suffer from certain deductions and lack of employment. Upon this point the Commission stated:⁵ "Brickmakers, bricklayers, and stonemasons appear to suffer most in this respect, and are said to be employed six months in the year and stopped in wet weather, or to be fairly well employed in the summer and subject to starvation in the winter. Similar complaints were made with regard to painters."

¹ R. C. on Labor, Final Report. Part II., page 283.
Labor, Final Report. Part II., p. 282.

² Pp. 443 and 444.

³ P. 207.

⁴ R. C. on

⁵ Id., p. 285.

It also appeared that other trades, such as coopers, depended upon the prosperity of other industries for steady work. Railroad fare and cost of tools were complained of as deductions affecting these trades. It appeared also that there was an advance in wages in mining iron and quarrying from 1887 to 1892, although there was less day's work and the yearly earnings would not show the same increase as the day rate. Through the perfection of labor organizations in certain districts the wages of lithographers were also advanced. It is a notable fact that the few instances of recent advances in wages reported by the commission were due to the efforts of labor organizations and were confined to those trades which are not directly subjected to the degrading influences of the free import of competing commodities.

It should be borne in mind that blacksmiths, bricklayers, masons, carpenters, painters, plumbers and compositors are subjected only to the competition of those mechanics engaged in similar occupations; while those artisans working in iron and textile industries must hold their places against other laborers who are bidding for the same jobs, and at the same time there is another force operating to bear down and keep down their wages. They are compelled to sell the produce of their labor in competition with similar articles made by the labor of all countries not only in foreign markets but at home. As Brassey says:

Wages in trades which are affected by free imports.

The rate of wages in England is limited by the necessity of competition with foreign manufacturers. Employers in England, as elsewhere, only employ labor on the assumption that they can realize a profit by their business; and in the engineering trade, in consequence of the impossibility of increasing the cost of production without losing our trade in the neutral markets, it has not until lately been possible to make an advance of wages. On the other hand, the active competition between the numerous bodies of manufacturers in the country has reduced profits to a rate so moderate that, if it were to be further reduced, the trade would no longer offer any inducements for the investment of capital.¹

The foregoing statement was written about the year 1871. It proves that wherever we get an expression from an experienced business man, we find that the cost of labor is such a large element in manufacturing that the price at which articles must be sold when placed on the markets of the world controls the wages which the employer must pay. While this is true of those employments subjected to such competition it does not apply to the same extent to those skilled mechanics named in the above table, who enjoy a degree of natural protection. Carpenters, bricklayers, etc., of England are thoroughly organized into strong unions, the members of which practically monopolize the work in their several districts. They are able to limit the members of the organizations, and to control the work which falls within their several occupations in the various cities and districts of the country. Yet it appears

¹ Work and Wages, p. 155.

Wages in
ship-yards.*Average Wages Paid in Ship-yards from 1851 to 1894.*

	AVERAGE WAGES PAID AT MILLWALL IRON WORKS IN 1851, 1861 TO 1865, 1865 TO 1869, AND IN 1869.						WAGES PAID IN SUNDERLAND'S SHIP-YARDS, JUNE, 1894, U. S. CONSULAR REPORT, VOL. 46, PAGE 303.						AVERAGE WAGES IN U. K. IN 1892, PART II, FIFTH REPORT ROY. COM. ON LABOR.		
	1851.			1861 to 1865.			1865 to 1869.			1869.			1894.		
	Per Week.	Dollars.		Per Week.	Dollars.		Per Week.	Dollars.		Per Week.	Dollars.		Dollars.	Shillings.	Pence.
	Shillings.			Shillings.			Shillings.			Shillings.					
Fitters, ...	33 to 38	7 02	to 9 12	33 to 38	7 02	to 9 12	35 to 40	8 40	to 9 60	33 to 38	7 02	to 9 12	7 65	..	..
Planers, ...	30 to 33	7 20	to 7 02	32 to 34	7 20	to 7 02	32 to 34	7 68	to 8 16	30 to 33	7 20	to 7 02	..	..	..
Drillers, ...	22 to 27	5 28	to 6 58	23 to 28	5 28	to 6 58	23 to 28	5 52	to 6 72	22 to 27	5 28	to 6 58	..	..	..
Smiths, ...	22 to 27	7 20	to 10 08	30 to 42	7 20	to 10 08	30 to 42	7 20	to 10 08	30 to 42	7 20	to 10 08	5 95	..	..
Smiths' helpers, ...	22 to 24	5 28	to 5 76	22 to 24	5 28	to 5 76	22 to 24	5 28	to 5 76	22 to 24	5 28	to 5 76	7 68	43	10 32
Moulders, ...	36 to 38	8 64	to 9 12	36 to 40	8 64	to 9 12	36 to 40	8 64	to 9 60	36 to 40	8 64	to 9 60	..	..	..
Pattern makers, ...	36 to 39	8 64	to 9 36	39 to 42	8 64	to 9 36	39 to 42	9 36	to 10 08	36 to 39	8 64	to 9 36	8 26	35	8 40
Joiners, ...	36 to 39	8 64	to 9 36	36 to 39	8 64	to 9 36	36 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	8 14	37	8 88
Shipwrights, ...	42 to 48	10 08	to 11 52	42 to 48	10 08	to 11 52	39 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	9 11	40	9 60
Platers, ...	36 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	..	..	..
Platers' helpers, ...	21 to 24	5 04	to 5 76	21 to 24	5 04	to 5 76	21 to 24	5 04	to 5 76	21 to 24	5 04	to 5 76	..	..	6
Riveters, ...	30 to 32	7 20	to 7 68	30 to 32	7 20	to 7 68	30 to 32	7 20	to 7 68	30 to 32	7 20	to 7 68	8 26	33	7 32
Riveters' helpers, ...	20 to 24	4 80	to 5 76	20 to 24	4 80	to 5 76	20 to 24	4 80	to 5 76	20 to 24	4 80	to 5 76	..	..	6
Caulkers, ...	30 to 33	7 20	to 7 02	30 to 33	7 20	to 7 02	30 to 33	7 20	to 7 02	30 to 33	7 20	to 7 02	..	..	..
Chippers, ...	28 to 30	6 72	to 7 20	28 to 30	6 72	to 7 20	28 to 30	6 72	to 7 20	28 to 30	6 72	to 7 20	6 44	32	7 68
Angle iron smiths, ...	38 to 40	9 12	to 9 60	38 to 40	9 12	to 9 60	38 to 40	9 12	to 9 60	38 to 40	9 12	to 9 60	Platers and riveters	39	9 36
Boiler makers, ...	36 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	36 to 42	8 64	to 10 08	..	19 to 40	4 56 to 9 60
Boiler helpers, ...	21 to 24	5 04	to 5 76	21 to 24	5 04	to 5 76	21 to 24	5 04	to 5 76	21 to 24	5 04	to 5 76	..	..	..
Painters, ...	21 to 30	5 04	to 7 20	21 to 30	5 04	to 7 20	21 to 30	5 04	to 7 20	21 to 30	5 04	to 7 20	8 14	..	..

that the influences which have operated against all classes of labor since the adoption of free trade have prevented any material advance in the wage rate of this class of workmen.

Even in ship-building with all the superior facilities and advantages which are possessed by the English people, wages of ship-builders are substantially the same as they were in 1851. The table opposite showing the wages in ship-yards from 1851 to 1894 is very conclusive. The rates paid in the ship-yards of the Milwall Iron Works were furnished Brassey from the books of the concern. The wages given for 1894 are reported by the Hon. Thomas Horan, Consular Agent of the United States Government in June, 1894, upon investigation made by him into the wages paid at that time in Sunderland ship-yards. Those for 1892 were taken from the recent report of the Royal Commission on Labor.

*Wages
of ship-
builders,
1851-94.*

The Royal Commission on Labor in referring to the wages paid in the cotton and woolen industry, said:

The difficulty which attends any attempt to summarize the evidence received with regard to wages is rendered peculiarly great in the textile trades by the complexity of the processes involved in them and the consequent great division of labor and multiplicity of classes of workers. Amongst these classes it is only with regard to the wages of *weavers and spinners* in the cotton and woolen industries that the information received is sufficiently full to form the basis of any general statements. And even in these cases it must be borne in mind that as pointed out by the witnesses themselves the averages given are merely more or less rough approximations. Since the wages earned by each operative depend not only upon his or her own skill and industry, but also upon the size and the number of machines tended, and the speed at which they run; upon the quality of material supplied and the nature of the goods to be produced, and upon the number of assistants required and the wages paid to them. So far as information with regard to the wages of these four classes of workers can be obtained from either oral or written evidence it is shown in the four following tables:

*Wages in
the textile
industries.*

TABLE I.

RETURN OF WAGES OF WEAVERS IN THE COTTON INDUSTRY.

District.—Lancashire.	Class for which Mean is Given.	Wages per Week.		
		s.	d.	
Northeast Lancashire, ...	Adult males and females	20	0	\$4.80
Burnley, ...	" " "	22	0	5.28
Blackburn, ...	" " "	20	0	4.80
Haslingden, ...	" " "	17	4	4.16 ¹

*Cotton
weavers.*

In this connection it may be well to contrast the wages disclosed by the above table with the wages paid to the same class of labor in 1852 in

¹ Final Report, Part II., p. 235.

an establishment in Manchester employing nearly 1000 hands in weaving cotton goods, which was taken from the books of the concern and set forth in the "Charter of the Nations," as follows:

Warpers	24s. to 25s. . .	\$5.76 to \$6.00
Drawers-in	18s. to 26s. . .	4.32 to 6.24
Weavers	22s. . .	5.28
Overlookers	25s. . .	6.00 ¹

*Cotton
spinners.*

With reference to the wages of cotton spinners in 1892, the Labor Commission says: "Very little evidence was given with regard to the wages of spinners in the cotton industry, and it will be noticed in the following table that when rates of wages have been quoted for spinners in the oral or written evidence, these were for districts other than those for which the wages of weavers have been quoted."

TABLE II.

RETURNS OF WAGES OF SPINNERS IN THE COTTON INDUSTRY.

District of Lancashire.	Class of Workmen.	Wages per Week.	
		<i>s.</i>	<i>d.</i>
Lancashire and parts of adjoining counties,	Minders, men only,	35	\$8.40
Bolton, ...	" "	37 6	9.00
Preston, ...	" "	31	7.44 ²

It should be noted that the commission makes reference only to the highest paid class of male workers in any department of the textile industry, and in only a few districts. And this based as stated upon "very little evidence." If we go back to the "Progress of the Nations," page 194, we find that Mr. Porter gives the average wages paid to cotton spinners in England in the years stated below as follows:

1804	32s. 6d. to 36s. 6d. . . .	\$ 7.80 to \$ 8.76
1814	44s. 6d. to 60s. . . .	10.68 to 14.40
1833	33s. 8d. to 42s. 9d. . . .	8.08 to 10.26

The foregoing from Mr. Porter's work shows the wages of spinners to have been higher in 1833 than at the present time.

We find also in the report of the Labor Commission the following table of wages earned by women in the cotton industry in the United Kingdom:

¹ P. 175. ² Final Report, Part II., p. 235.

TABLE OF WAGES EARNED BY WOMEN IN THE COTTON INDUSTRY.

Wages of women in the cotton industry.

Class of Work	District.	Average per week	Remarks.
Weavers, ...	Lancashire and Cheshire, .	\$4.84	
"	Lanark, ...	3.36	
Spinners, ...	Oldham, ...	4.04	
Skilled hands, ...			\$2.00 and \$4.22
Piece-work, heavy frame, ...			4.84
" " single frame, ...			2.33
One heavy and one light frame, ...			2.33
Light frame, coupled, ...			4.40
" " single, ...			3.34
Spinners, ...	Bridgeton, Glasgow, ...	3.42	From \$2.40 to \$4.44
Card-room, ...	Lancashire and Cheshire, .	3.60	
Card-room workers, ...	Bridgeton, ...	2.94	" 3.00 " 2.88
" " "	Johnstone, ...	2.16	" 1.44 " 2.88
Winders, ...	Lancashire and Cheshire, .	3.42	" 2.40 " 4.44
" " "	Lanark, ...	3.12	" 2.88 " 3.36
Calico weavers, ...	Kilmarnock, ...	2.64	" 2.40 " 2.88
Cotton spinners, ...	Lanark, ...	2.40	" 2.40
" " "	Johnstone, ...	2.40	" 1.92 " 2.88 ¹

There is no evidence presented in the final report of the commission which proves that any material advance has been made in the wages of operatives in the cotton industry, when the wages which have prevailed during the past ten years is compared with earlier periods. The condition which brought about the reductions in wages as disclosed by the evidence before the Royal Commission on Trade and Industry in 1885 have continued, and it is fair to conclude that the wage rate which prevailed prior to such reductions has not been restored.

The third table referred to by the commission relates to the wages of woolen weavers in 1892. It is as follows:

TABLE III.

RETURNS OF WAGES OF WEAVERS IN THE WOOLEN INDUSTRY.

Woolen weavers.

District.—Yorkshire.	Class for which Mean is Given.	Wages per Week.		
		s.	d.	
Guisley, ...	Adult males and females, . . .	17	6	\$4.20
Huddersfield, ...	" " "	17	0	4.08
Bradford, ...	" " "	13	4	3.20
Batley and the "heavy woolen" district, ...	" " "	10	0	2.40

It appeared that a more thorough investigation was made into the wages paid to woolen weavers than occurred with reference to the cotton industry, as is shown by the following statement of the commission:

¹ Royal Commission on Labor, Final Report, Part II., p. 487.

The Huddersfield Weavers' Association gives the average wage of adult weavers in full employment as from 18s. to 24s. (\$4.32 to \$5.76) and during slack time as from 10s. to 16s., (\$2.40 to \$3.84). The average of these various rates has been taken as the average rate of earnings of an adult weaver during the year. The arithmetic means of the wages quoted for fully employed male and female weavers in this district by Mr. Thomson and Messrs. Armitage and Cleland, are 20s. and 21s. 10½d. (\$4.80 and \$5.25) respectively, and this seems to show that the arithmetic mean of the rates quoted above for weavers in full employment, viz., 21s. (\$5.04) is a fair average. The most conflicting evidence given with regard to the rate of wages had reference to the Bradford district. It was stated by Mr. Drew that the average rate of a weaver's earnings in this district was 9s. (\$2.16) a week, but according to the returns from 118 employers in response to an inquiry issued by a joint committee appointed by the Bradford Chamber of Commerce to investigate this question, the average earnings of a weaver for the year 1891 were 13s. 3.84d. (\$3.18). Two other witnesses representing the Bradford Power Loom Weavers' Association stated, however, that this average was too high, and this society stated in the written answers to the schedule of questions that wages range from 5s. to 15s. (\$1.20 to \$3.60) weekly, according to the state of trade. A representative of the West Riding of Yorkshire Weavers' Association stated that 10s. (\$2.40) would be a fair average for a weaver's wages throughout the year in the Batley and heavy woolen weaving district, but this average is probably rather too low, as the Weavers' Association for this district quotes 12s. (\$2.88) as "a common rate of earnings."¹

The foregoing statement shows what was revealed in the Bradford and Batley districts by a fuller investigation of the question. The controversy raised by Mr. Drew, president of the Bradford and District Labor Union, who in his testimony before the commission stated that the average wages of weavers in this district would not exceed 9s. (\$2.16) per week, resulted in the appointment of a committee consisting of seven members of the Bradford Chamber of Commerce, which had challenged Mr. Drew's statement, and an equal number of representatives of the working classes selected by the Yorkshire Weavers' Association, the Power Loom Overlookers' Association, and the Trades and Labor Councils. The committee immediately entered upon its investigation, and addressed circulars, from which they received replies representing 11,779 weavers, in 1890, and 11,625 in 1891, bearing on the question. When the returns were all in, chartered accountants, basing their calculations upon the returns, reported that the average wages of weavers per week in 1890, was 13s. 5.88d. (about \$3.24). For 1891 13s. 3.84d. (about \$3.18). The labor representative on the commission urged that the result of the inquiry did not fairly represent the situation. That the inquiry was confined to only 11,779 weavers, when in fact there were over 30,000 in the district. Again, that the replies were received from those employers who had been most prosperous in business, had the smallest percentage of broken time and paid the highest rate of wages, while those who withheld information by failing to reply to the communication of the investigating committee were those who paid the lowest wages.

*Estimates
of woolen
weavers'
wages.*

¹ Royal Commission on Labor, Final Report, Part II., p. 236.

Women's
wages in
the woollen
industry.

TABLE OF WEEKLY WAGES EARNED BY WOMEN IN THE WOOLEN INDUSTRY, 1891-92.
Compiled from the Fifth and Final Report of the Royal Commission on Labor, Appendix III, Part II, May, 1894.

Class of Work.	District.	Average.	Remarks.	Class of Work.	District.	Average.	Remarks.
		Dollars.				Dollars.	
Weavers, .	South Scotland,	4.34	.	Spinners, . . .	Leeds,	1.86	From .96 to 2.40.
"	Huddersfield, . .	3.46	From 1.68 to 2.40.	"	Ireland,	1.44	From 1.20 to 1.68, and .96 to 1.92.
"	West Scotland, .	3.26	From 1.20 to 2.88.	Winders, ...	South Scotland,	3.78	From 1.68 to 2.40.
"	Halifax, . . .	3.26	2.40, 3.32, 1.74 and 3.84.	"	Halifax,	2.60	From 2.04 to 3.24.
"	Leeds, . . .	3.24	From 2.40 to 4.14.	"	Bradford, . .	2.52	From 1.96 to 2.88, and 2.40 to 3.36.
"	Bradford, . .	2.82	From 1.44 to 2.84.	"	Huddersfield, .	2.44	1.92, 2.40 and 3.00.
"	Ireland, ...	2.76	From 2.04 to 3.36.	"	West Scotland,	2.40	2.40, 2.64 to 2.88, and 1.92 to 2.16.
"	West of England,	2.64	From 1.92 to 3.60.				
Spinners, .	Bradford, . .	2.18	From 1.80 to 2.52, and 2.04 to 2.76.	Wool combers, ...	Bradford, . .	2.82	From 2.88, 2.40 to 3.12.
"	Halifax, ...	2.18	From 1.98 to 2.52.	Rag-sorters, ...	Leeds, . .	2.70	From 1.32 to 3.24.
	West of England,	1.96	From 1.44 to 2.04.	Flannel, shawl, tweed workers,	Wales, . .	4.90	

The table on page 356 shows the wages earned by women in the woolen industry.

It is no reflection on the good faith of the Royal Commission on Labor to state that the average rates of wages presented in their report to parliament, especially in the textile and iron industries, are higher than a full and fair investigation of the facts would have revealed. The commission was made up largely of free traders. A disposition is shown all through to make as favorable a showing as possible for the country. The commission apparently accepted the replies which were received from employers and employed and from such returns made up their estimates, without attempting to investigate those who withheld their answers. Again, it was fully established that the estimates of wage rates presented by free trade statisticians, especially in the textile and all competing industries, was much higher than those actually prevailing. The investigation referred to proved that the wages of weavers were actually about one-half of the figures presented by Mr. Giffen, of the Board of Trade. With a sharp controversy existing at the present time in England as to the actual rate of wages paid in competing industries, it is very difficult to arrive at the truth. With an official investigating committee appointed by parliament skimming over the subject and stating that the result of their inquiry is based on "very little evidence," we cannot place much confidence in the results, especially as it appeared that a thorough investigation was attempted only in relation to the woolen weavers and this conducted in such a manner, that it resulted in dissatisfaction and left the final conclusion of \$3.18 a week challenged by the wage-earners. No candid or impartial inquirer can examine the proceedings of this commission without arriving at the conclusion that in those industries in which wages are the lowest, those which are brought in direct competition with Germany, France and other countries, those which have been most seriously affected by the policy of free trade, such an investigation was evaded as would have disclosed the real condition of the wage-earners.

Results of investigation unsatisfactory.

But notwithstanding the foregoing consideration, we have from the commission an admission that wages have been reduced. It said:

Reduction of wages admitted.

A further complaint from the woolen weavers relates to the decrease of wages which has followed upon the increased speed of the looms. The rate of payment has been reduced by one-third on the ground that the fast looms produce proportionately more in a given time. This would be true if the work produced were in proportion to the speed of the loom, but in consequence of the more frequent stoppages, and the time lost in breakdowns and changing the caps and shuttles, etc., in the case of fast looms, the work is not in proportion to their speed, and actual wages have therefore been diminished.¹

¹ Royal Commission on Labor, Final Report, Part II., p. 237.

Women's
wages.

TABLE OF WAGES EARNED BY WOMEN IN MISCELLANEOUS TEXTILE INDUSTRIES, 1891-92.

Compiled from the Fifth and Final Report of the Royal Commission on Labor, Appendix III, Part II, May, 1894, p. 489.

CLASS OF WORK.	DISTRICT.	Average per week.	REMARKS.	CLASS OF WORK.	DISTRICT.	Average per week.	REMARKS.
Linen winders, ...	Dunfermline, ...	\$2.10	From 2.84 to 3.70	Carpet winders, ...	Glasgow, ...	\$3.36	From \$1.92 to \$2.88
Linen winders, ...	North Scotland, ...	3.10	From 3.60 to 4.08	Carpet winders, ...	Kidderminster, ...	2.42	From 2.85 to 3.60
Linen winders, ...	Ireland, ...	1.98	From 2.10 to 3.11	Jute winders, ...	North Scotland, ...	3.26	From 2.40 to 3.00
Linen weavers, ...	Dunfermline, ...	3.84	From 3.64 to 4.08	Thread spinners, ...	Paisley, ...	2.68	From 2.40 to 3.00
Linen weavers, ...	North Scotland, ...	2.94	From 3.75 to 2.10	Jute spinners, ...	North Scotland, ...	2.68	From 2.40 to 3.00
Rates for single looms, ...	North Scotland, ...	2.94	From 1.31 to 3.36	Jute spinners, ...	Ireland, ...	2.68	From 2.40 to 3.00
Rates for double looms, ...	North Scotland, ...	2.94	From 3.60 to 4.08	Jute spinners, ...	East London, ...	2.14	From 2.40 to 2.88
Linen weavers, ...	Ireland, ...	2.48	From 3.60 to 4.08	Flax weavers, ...	Port Glasgow, ...	2.68	From 2.40 to 2.88
Linen weavers, ...	Brechin, ...	2.40	From 3.60 to 4.08	Hosiery workers, ...	Dalry, ...	2.90	From 2.40 to 2.88
Linen weavers, ...	Forfar, ...	3.72	From 3.60 to 4.08	Three-quarters of people earn, ...	North Scotland, ...	2.90	From 2.40 to 2.88
Jute and linen winders, ...	Johnstone, ...	3.72	From 3.60 to 4.08	One-quarter of people earn, ...	North Scotland, ...	2.48	From 2.16 to 2.28
Flax spoolers and reellers, ...	North Scotland, ...	2.50	From 2.04 to 3.00	Flax spinners, ...	Port Glasgow, ...	2.34	From 2.28 to 2.70
Flax spoolers and reellers, ...	Kilbrinie, ...	2.52	From 1.08 to 2.88	Flax spinners, ...	Kilbrinie, ...	2.34	From 2.16 to 2.52
Flax spoolers and reellers, ...	Hatifax, ...	3.60	From 2.88 to 3.60	Flax spinners, ...	Johnstone, ...	2.16	From 2.16 to 2.52
Silk preparers, ...	Glasgow, ...	3.60	From 2.88 to 3.60	Silk trimmers, ...	Ireland, ...	2.40	From \$1.44 to \$3.84
Carpet weavers, ...	United Kingdom, ...	3.24	From 2.88 to 3.60	Silk trimmers, ...	East London, ...	2.40	From 2.19 to 2.98
Carpet weavers, ...	United Kingdom, ...	3.24	From 2.88 to 3.60	Flax preparers, ...	North Scotland, ...	2.36	From 2.19 to 2.98
Weavers of Turkey carpets, ...	United Kingdom, ...	3.24	From 2.88 to 3.60	Linen jappers, ...	Ireland (chiefly Belfast), ...	2.04	From 1.32 to 2.52
Weavers of Axminster rugs, ...	United Kingdom, ...	3.24	From 2.88 to 3.60	Silk winders, ...	Ireland (chiefly Belfast), ...	1.98	From 1.32 to 2.52
Weavers of Axminster rugs, ...	United Kingdom, ...	3.24	From 2.88 to 3.60	Fustian and velvet cutting, ...	Ireland, ...	1.98	From 1.80 to 2.28
Weavers of ordinary rugs, ...	United Kingdom, ...	3.24	From 2.88 to 3.60	Linen spinners, ...	Ireland, ...	1.92	From 1.80 to 2.28
Carpet weavers, ...	Ayr, ...	2.52	From 2.16 to 2.52	Shoddy and flock manufacture (sorters), ...	West of England, ...	1.80	From 1.56 to 1.92
Poplin, ...	Dublin, ...	3.46	From \$2.16 to \$2.40	Worst factory, ...	Ayr, ...	1.40	From 1.08 to 2.04
Jute and linen weavers, ...	Forfar, ...	5.46	From 1.92 to 3.12	One-third of the workers earn, ...	West of England, ...	1.40	From 1.08 to 2.04
For four looms, ...	Forfar, ...	5.46	From 1.92 to 3.12	Two-thirds of the workers earn, ...	West of England, ...	1.40	From 1.08 to 2.04
Jute weavers, ...	North Scotland, ...	3.42	From \$2.64 to \$4.28	Two-thirds of the workers earn, ...	West of England, ...	1.40	From 1.08 to 2.04
Worst spinners, ...	Leicester, ...	3.42	From \$2.64 to \$4.28	Two-thirds of the workers earn, ...	West of England, ...	1.40	From 1.08 to 2.04
Time workers, ...	Leicester, ...	3.42	From \$2.64 to \$4.28	Two-thirds of the workers earn, ...	West of England, ...	1.40	From 1.08 to 2.04
Piece workers, ...	Leicester, ...	3.42	From \$2.64 to \$4.28	Two-thirds of the workers earn, ...	West of England, ...	1.40	From 1.08 to 2.04

The report further states that "complaints of fluctuations in wages due to irregularity of employment come chiefly from the woollen trade. Slack times are said to be frequent, owing to foreign tariffs."

The jute, silk, carpet, and dyeing industries received such a slight notice that there are not sufficient data presented in the summary attached to their final report to warrant definite conclusions with regard to the most important conditions under which the industries are carried on. The report, however, states with reference to these industries that,

Rate of wages in the jute, carpet and dyeing industries.

In the jute industry at Dundee two manufacturers quoted the average wages paid to their spinners as 15s. (\$3.60) to 17s. (\$4.08) and 10s. (\$2.40) to 13s. 9d. (\$3.30), respectively, and the president of the Dundee Factory Operatives' Union stated that the wages of jute spinners were higher at Dundee than at Barrow, where they earned 10s. 6d. (\$2.58) a week. Weavers' wages in the jute industry were said by one manufacturer at Dundee to average 16s. 9d. (\$4.02), whilst a representative of the Forfar Factory Workers' Union gave the average wages for weavers as 18s. (\$4.32) for four looms; 15s. (\$3.60) for three looms, and from 13s. (\$3.12) to 20s. (\$4.80) for two looms, according to the size of the machines. Only women are employed in weaving jute.

With reference to carpet industry the commission stated :

Evidence was given by only one representative of the carpet industry, a manufacturer at Bridgnorth, who stated that in his own factory the wages of male weavers averaged from 32s. (\$7.68) to 35s. (\$8.40) a week, and those of female weavers from 12s. (\$2.88) to 15s. (\$3.60). The Aberdeen Carpet Weavers' Association states that the average wages are 17s. 6d. (\$4.20) a week, fluctuating from 33s. (\$7.92) to 10s. (\$2.40).

The representatives of the Bradford Society of Dyers stated that the average wages in that industry were now from 14s. (\$3.36) to 16s. (\$3.80) or 18s. (\$4.32) a week, although experienced hands earned about 24s. (\$5.76) a week. Formerly, however, 24s. was a general average. An employer engaged in the dyeing and finishing industry in Leicester stated that the average wages of the men employed by him during the last year had amounted to 30s. (\$7.20) a head.

A more complete investigation was made into the wages of women in the textile industries and other occupations in which they are so largely employed. The table on page 358, showing the wages earned by women in miscellaneous textile industries, was copied from the Final Report of the Royal Commission.

Upon the inquiry which was made into the wages of women the report makes the following statement:

General conclusions as to women's wages.

The mean of the returns collected for woman in 1860-61 in the Kidderminster carpet, pottery, tobacco, etc., rope-making, shoddy and flock trades was 9s. 1d. The mean in 1891 was 8s. 11d. If these statistics are to be trusted, and so far as the mean of the returns can be taken as representing true averages, women's wages in those trades would seem to have not merely been stationary, but to have positively decreased. It appears probable that if the information concerning the alleged decline in wages in the confectionery, umbrella-covering and straw-hat trades were sufficiently reliable, and covered a sufficiently long period to be taken into account, the same conclusion might be drawn from a larger number of industries. The means of

the returns given in 1860-61 in the above-mentioned trades, and also in the boot and shoe and worsted industries, which group represents the greatest number of industries under consideration, both skilled and unskilled (excluding the organized industries), was 8s. 11d. In 1891 it was 9s. 9d.; it had, therefore, increased by only 9 per cent. The apparently arbitrary selection of the industries which furnish data for these comparisons is explained by the fact that the necessary information was only forthcoming in these instances. Women's wages in the industries under consideration, except in certain skilled and organized trades, have either decreased, remained stationary, or have increased but slightly. It may, perhaps, be the case that the number of women engaged in the organized industries is so large that the gain there relatively greater than that obtained by the men, would outweigh the comparatively stationary rate of wages in the other industries. In the Census Returns for 1891, it appeared that while the number of women in the cotton industry was nearly 333,000, the number of women employed in all the other industries enumerated in Table V amounted to about 370,000. Taking this into account in finding the averages over the whole period, women's wages would probably appear to have risen faster than men's. On the other hand it must be remembered that the industries mentioned in Table V includes less than 800,000 women workers out of a total of more than 1,800,000 in the industrial class. The wages of a million women, therefore, in the industrial class, that is excluding domestic service, remained unaccounted for; and the evidence obtained both by the House of Lords' committee and by the lady assistant commissioners and from other sources, went to show that this large proportion of women belonged rather to the body of unorganized and underpaid workers than organized and better paid.¹

The industries referred to in Table V, mentioned above, are as follows: Cotton industry, boot and shoe industry, hosiery, carpet industry (1880, Kidderminster), silk and poplin (1859-62), linen, jute, etc. (1859-61), woollen industry, worsted industry, book-folding, book-sewing, etc., potteries, tobacco, etc., manufactures, rope-making, shoddy and flock manufacture.

It may be suggested that even the claim of an increase of wages in the cotton and worsted industries from 1861 to 1892 should be subjected to a most careful examination before such results are accepted. The severe competition to which the operatives in cotton mills have been subjected during the past twenty years, is known to have had a most depressing effect on their earnings. Again, reliable returns from the earlier periods are difficult to obtain for such comparisons. But the admission contained in the foregoing statement of the commission showing that the wage scale in 1892 is below that of 1861 in some industries, while the 1,000,000 workers not taken into account in other industries have concededly suffered from reduced pay, should not be lost sight of, when the question of the comparative rate of wages is being considered. It may be well also to mention the fact that home industries or "sweated trades," as they are called, are being largely carried on as laborers are crowded out of factories and as the body of unemployed increases. As to the wages earned in home trades the commission said:

"Sweated trades."

¹ Final Report, Part II., p. 483.

The average hourly wage of out-workers in the villages round Dudley who supply much of the clothing trade of that town was $1\frac{1}{2}d.$ A widow in Manchester who "finished" shirts at $2\frac{1}{2}d.$ a dozen, whatever the work required might be, could never earn more than $2s. 2d.$ a week. A tailoress in Lambeth "finished" boys' trousers for $3d.$ a pair, out of which $1d.$ had to be subtracted for thread and twist. It took her two and one-half hours to finish one pair, so her rate of pay was less than $1d.$ per hour. In the hosiery trade a woman seamed stockings for nine hours daily, and if she worked very hard earned $\frac{3}{4}d.$ per hour. Her average weekly earnings were $3s.$ A sack sewer and a rope teaser at Arbroath stated that their average wages were about $3s.$ and $3s. 6d.$ a week, respectively. It was stated that in the lace trade at Nottingham a great quantity of work which was formerly done inside the factories, such as scalloping, is now given out at reduced prices. An employer who at one time employed fifty women as "scallopers" in his factory, most of whom earned $15s.$ a week, now gives out this work to home workers, to whom he pays $6s.$ or $7s.$ a week. From the evidence of the out-workers it appeared that the rate of payment was sometimes as low as $\frac{1}{2}d.$ per hour. In Glasgow a woman was found who did tailoring for government contracts. The shop which gave them out paid $2s. 2d.$ per dozen for making Dungaree jackets, the dozen taking fourteen hours. Another woman "finishes" them for $4d.$ per dozen, and makes perhaps "four dozen in a day." The total cost to the shop for the making and finishing a dozen of these jackets by outside workers was therefore $2s. 6d.$ Inspectors' "overalls" were also given out at $4s. 8d.$, and certain "overall" trousers at $1s. 6d.$ per dozen. The witness said that she could make six inspectors' "overalls" in a day, or three pairs of "overall" trousers, *i. e.*, she could earn $2s. 4d.$ or $6d.$ for the day's work. In all the cases quoted above the information was received from the home workers personally. One of the worst cases of sweating was that related by the secretary of the Shirtmakers' Union of Manchester. A man in Gorton had a workroom for which he paid $5s. 6d.$ a week. He took out work from Manchester, and employed women in this workroom at shirtmaking. He made them pay $1d.$ for rent and $1d.$ for fire, and a certain sum for cotton, which was $1\frac{1}{2}d.$ more than the price in retail shops in Manchester. The women also paid $1s.$ a week for the use of the machine, no matter how slack the work might be. Although they were nominally buying the machines on the hire system, they were never employed regularly or long enough to become the owners. Besides all these deductions he only paid them $7d.$ a dozen for work for which the witness had been paid $1s.$ by another firm who had once employed her.¹

The same conditions as those affecting the textile industries are found to prevail among the artisans employed in making hardware, cutlery and in the various branches of occupations which are subjected to sharp competition under free trade. All statistics and calculations which are used to prove that an advance in wages has taken place in the United Kingdom since the adoption of free trade should be carefully weighed and accepted only with full knowledge of the manner in which the comparisons are made and the occupations to which they relate. The question is one which during the past fifteen years has provoked so much controversy and has given rise to such wide differences of opinion in England among well-informed men, that it is certainly involved in great doubt and is far from being a settled question. It is evident from the foregoing that the advance in wages since 1850 has been very small, even in those occupations

Where there has been an advance in wages, it has been but slight.

¹Royal Commission, Final Report, Part II., p. 483.

in which it has taken place. It is apparent that the statements which have so frequently been made by the advocates of free trade are grossly exaggerated.

The slight increase which accompanied the period of prosperity from 1869 to 1874, has been reversed by the excessive competition to which the industries of the country have been subjected. The proof of reductions which were made to meet foreign competition, found in the answers of Labor Organizations, Chambers of Commerce, Business Men's Associations, and the evidence of manufacturers and artisans, given before the Royal Commission in 1885, which have been quoted, should certainly be conclusive upon this point. That there have been no improvements in this respect since 1884, is established by Mr. Giffen himself, who stated before the Royal Commission on Labor in 1894 that no material change had taken place since 1872. Speaking of the conditions since 1872, he is reported by the commission to have said: "Subsequently to that date there has been no considerable or marked rise in wages generally, although there has been in many cases a certain steady rise, and certainly in no case or only in a very few exceptional cases, have these wage rates fallen to a point lower than their average level of twenty years ago."¹ This very moderate and conservative estimate from one who has been so criticised by his fellow countrymen for extravagant and inaccurate statements upon this question, is very significant. From this it would appear that the old level of wages established by the evidence before the Royal Commission in 1885 still prevails. It appeared that at that time wages had generally fallen to the level of 1864.

*Low wages
of the
British
workman.*

In the brief space which must be devoted to this branch of the subject, it is impossible to enter upon an extended presentation of the earnings of British artisans in the various industries. Enough, however, has been presented of the most authentic character to show that they have advanced but little during the past forty years. The rate of wages given for skilled artisans in the several schedules presented are not as high as those paid to common day laborers in the United States. The earnings of our day laborers generally throughout the country are not less than \$1.50 a day, or \$9.00 a week, and in many instances are as high as \$1.75 per day, while carpenters, masons, bricklayers, painters and plumbers receive from \$2.50 to \$3.00 per day, and artisans of the same class as those named in the schedules presented, receive more than twice the wages paid in England. The preparation of schedules of wages, representing the earnings of operatives in woolen, cotton, linen, silk, lace, and other textile industries is beset with so many difficulties that it is practically impossible to arrive at accurate results. The division of labor is so complete, each operative being fitted to the performance of certain special duties, that such tasks should only be undertaken by a

¹ Final Report of Commission on Labor, June, 1894, pp. 9, 10.

person having the most perfect practical knowledge of the subject. It has been difficult for official investigating committees, receiving their information from employers and employed, to arrive at satisfactory results. The refusal of some labor organizations to state the rates earned, and the failure of many others, especially in textile industries to answer questions submitted, indicated a desire on the part of many, to keep from the world the real state of affairs which exist. Besides this, the commission referred to (of 1885) did not attempt so much to arrive at the rate of wages paid, as to ascertain what changes have taken place during the twenty years covered by the investigation. But enough, however, was disclosed to show a most appalling condition in this respect. As has already been pointed out it appeared that men in silk weaving were paid from \$2.16 to \$2.40 a week and women from \$1.68 to \$1.80 a week.¹ It also appeared that weavers in cotton mills were working for \$3.60 a week,² and that an investigation of the Labor Commission recently held, showed that woollen weavers were earning \$3.18 a week. We also have the statement of the Children's Sock and Stockingmakers, that their earnings were 6s. or \$1.44 a week. The Dublin Flint Glassmakers reported to the Royal Commission on Trade that they were making 13s. or \$3.12 a week. It is certainly a fact that the wages paid in free trade England are a disgrace to any civilized community and furnish the strongest condemnation of the policy of free trade. The above are not given as the highest earnings of operatives in the textile industries neither are they believed to be the lowest. In this connection it may not be out of place to call the reader's attention to the decided advance in wages which has taken place in the United States under protection.

*Rise of
wages in
the United
States.*

The following figures compiled by the Hon. Carroll D. Wright, United States Commissioner of Labor, are taken from his article in the Forum of October, 1893, entitled "Cheaper Living and the Rise of Wages:"

The pay of laborers is quite indicative of general conditions. In 1840 a laborer in a large brewery in the city of New York received 62.5 cents a day; in 1860, 84 cents a day; in 1866, \$1.30 a day; in 1891, from \$1.90 to \$2. Compositors who worked by the day received, in 1840, \$1.50; in 1860, \$2; in 1866, from \$2.50 to \$3, and the same in 1891. These quotations are for a well-known establishment in the State of Connecticut. A building firm in Connecticut paid journeymen carpenters in 1840, from \$1.25 to \$1.62 a day; in 1860, from \$1.25 to \$1.75 a day; in 1891, from \$3 to \$3.25 a day. A firm of builders in New York paid, in 1840 \$1.50 a day; in 1860, \$2; in 1866, \$3.50; in 1891, \$3.50. Painters received the same. Similar quotations could be made for carpenters and painters in different parts of the Eastern States. The rate of wages paid to wheelwrights were in 1840, \$1.25; in 1860, \$1.25; in 1866, \$2; in 1891, \$2.50. Cotton weavers (women) in Massachusetts earned, in 1840, on the average, about 62 cents a day; in 1860, 54.5 cents; in 1866, from 85 to 90 cents; in 1891, \$1.05. Women frame spinners were paid about the same, earning a little more in the later years. Wool spinners, both jack and mule, earned less than \$1 a day in 1840, while in 1860 they earned \$1.05; in 1866, from \$1.80 to \$1.90 a day; in 1891, from \$1.38 to \$1.75 a day.

¹ Evidence of Peter Malkin, ² Evidence of Thomas Stuttard.

The average earnings of puddlers have been subject to great variations. An average must be used here because puddlers are paid largely by the ton. In 1840, at Ætna, Pa., puddlers earned \$3.69 a day; in 1860, \$2.67 a day; in 1866, from \$5.37 to \$6.04 a day; in 1891, \$3.67. In another iron works at Duncannon, Pa., the rates were \$2.30, \$2.01, \$4.83 and \$2.91 for the years named. The rates of wages a day, successively for the years named, for blasters and drillers in the New Jersey ore districts, were 75 cents, \$1, \$1.65 and \$1.50; and for unskilled laborers in mining ore at Cornwall, Pa., 50 cents, 75 cents, \$1.45 and \$1.55.

The unemployed "residuum."

But this is a question which concerns free traders the least of all. It matters not how low wages are or how large the body of unemployed becomes, so long as the physical strength of the operatives is not injured, or the peace and order of the community interfered with. The free trade economists, in their cold-blooded and merciless treatment of economic subjects, define the vast body of unemployed as a "residuum," which adds to the competitive power of the nation, by supplying the manufacturers with a large body of artisans to draw from in time of a revival of business, who under those circumstances are ready to work for a mere pittance. This "residuum" is regarded from an economic point of view, as a national benefit, because it tends to prevent an increase in wages, and carries out the original purpose of Cobden and his associates, who so shaped the policy of the nation as to create an abundance of laborers in order that artisans might at all times be found at wages which would insure that "cheapness" of production through which a monopoly of markets was to be secured.

The vast body of unemployed cannot be ascertained from the official reports of the government. Each month the Board of Trade Journal contains in its columns of labor reports a statement of the percentage of unemployed in various trades. This is based upon the monthly returns of certain labor unions, having about 800,000 members. It has no reference, whatever, to the vast army of laborers outside of these organizations, so when it is reported and currently circulated by free trade newspapers that the unemployed amounted to 10 or 12 per cent in a particular month it should be understood that such statements have reference only to a very small part of the artisans of the country.

Cheap food does not compensate for reduced wages.

The crushing weight of free trade has fallen most heavily upon the wage-earner. The reductions in wages which have taken place in England, when we consider the large amount taken from the spendable incomes of the vast laboring population, may be better appreciated by the statement of Mr. Frederick T. Haggard, who shows that a loss of only 1s. per week from 13,000,000 working men in the United Kingdom amounts to \$3,250,000 per week, or \$169,000,000 in a year. He also shows that the laborers of Great Britain and their families, represent two-thirds of the population, or 24,000,000 souls. Knocking off 1d. per four-pound loaf, allowing 156 four-pound loaves to each of them, they would consume 3,744,000,000 loaves in a year. The saving of 1d. per loaf

would amount to \$78,000,000, leaving a loss of \$91,000,000 by the reduction of 1s. per week in wages.¹

The above estimate was made by Mr. Haggard for the purpose of showing that the cost of bread was such a small item, that the working classes of England would profit under a system of protection, although it slightly enhanced the price of food. The increased employment, as well as increased wages which it would bring, would so overbalance a rise in price of bread that in the end they would profit by the change in policy. The evidence before the Royal Commission, together with the answers above given, shows a reduction in wages since 1876 of much more than a shilling a week. It would be difficult to estimate the loss which the laborers of England have sustained annually by the system of free competition which they have practiced.

The effect of the consumption of a vast quantity of competing commodities is to diminish the demand for labor. The over-supply of laborers thus brought about, keeps the wage rate down to a minimum. The large emigration which has taken place has not been sufficient to relieve the market from the glut which is occasioned by the imports. Even if a protective policy, which resulted in shutting out such imports, should only furnish full employment to British labor, at a low wage rate it would be better than the lack of employment which now prevails. The free trader is accustomed to argue that an increase in wages would result in so enhancing the cost of producing commodities, that it would prevent their sales in neutral markets, in competition with the lower paid wage earners of the Continent, and make it more difficult to invade protected markets. If it should be conceded that this is true, that a nation which depends upon foreign markets for the sale of a vast surplus of commodities, must necessarily make them cheaper in order to continue in the sharp competition that is now carried on, the fact still remains that full employment at low wages is better than no employment at all. The most severe injury which the policy of free trade has inflicted on the English people, is found in the ruin of productive industries and in the displacement of thousands of laborers. The more we investigate the precise effects of free imports on English producers, the more apparent becomes the importance to nations of home industries. So far as the making of the \$280,000,000 of fully manufactured, and the \$150,000,000 of partly manufactured, imported goods in England is concerned, a small protective duty would insure the investment of capital and the employment of British labor in their production in England. The increased employment which such change would give to labor, would so increase the spendable income of the people that the home market would become far more valuable to all industries. There is no excuse for permitting the well-to-do people of England to use the interest on their foreign investments and fixed

Loss of employment the result of free trade.

¹ Fair Trade Journal, Vol. I, p. 127.

*Protection
would
improve
the home
market.*

incomes, in the purchase of silks on the Continent, when the English silk weavers and spinners are living in idleness and in workhouses. The purchase of glass from the Continent deprives the coal miners of England, as well as the glassmakers, of work. So we might trace the effect of every finished article that is brought into the country. While a policy which would revive the agricultural interest of the country by compelling the growth at home of \$600,000,000 of agricultural products imported, might enhance the price of bread, yet the whole nation would be compensated, and especially the 30,000,000 of working people, in the improvement and increase of the purchasing power of the agricultural population. Not only the country merchants, masons, carpenters, bricklayers, farm laborers, but in fact, every department of industry in the United Kingdom would be restored to a flourishing condition.

If it be true, that through the use of machinery the productive capacity of man has so increased that a smaller proportion of the population of the world is able to produce such a quantity of manufactured articles as to bring about a chronic glut in the markets of the world, as a means of subsistence and employment to the masses, agriculture is made more important. That the great producing countries of the world are suffering from over-production, there is not the slightest question; not that more is produced than the world needs, but that more is being produced than consumers are able to buy. That being true, employment which increases the incomes and enables the consumers of the world to purchase a larger quantity of consumable commodities would relieve the situation.

After all, even in England the home market is found to be worth preserving. Those nations which have been most prosperous and which have enjoyed the greatest degree of prosperity, whose people have been most fully employed, and whose industries are most vigorous and independent, have adhered to that national system of protection to which England is indebted for that long period of prosperity and industrial development which terminated when the people yielded to the economic delusions of Cobden and his associates.

*Classes
injured by
free trade.*

The policy of free trade is so riveted upon the country that manufacturers, ship-owners, tradesmen and bankers have, during a period of forty years, been gradually forced into channels which are antagonistic to the masses of English people. A return to protection would require such a readjustment of the industrial life of the nation that it could not be brought about without great opposition from influential and strong classes. While a system of protection to agriculture would relieve the urban population of a vast surplus of laborers and restore the soil of the realm to a high state of cultivation, increase the value of land and make the rural population prosperous and flourishing, it would deprive the ship-owners and tradesmen of the freight and profit which they derive from the carriage of

\$600,000,000 of farm products. Although the system of free imports has weakened and practically destroyed the influence of the agriculturists, it has aided in building up the shipping interest of the country and made it powerful and influential. This vast interest which has been so improved under free trade has been a source of great profit to the few capitalists, although it has given employment to only a small number of laborers. The system of free imports has reduced the rural population from 20 per cent to 5 per cent. Of those over ten years of age of this population, 73 per cent are common laborers and belong to the pauper or semi-pauper class. So it appears that this interest which to-day would come forward and advocate a restoration of protection to agriculture, is insignificant in numbers and lacking in influence. When the question of protection to agriculture comes up, the free trader proclaims that it means an increase in the price of bread. This argument for a long time was effectual with the laboring masses. It still appeals strongly to those who live on foreign investments and fixed incomes, but it has less weight than formerly with the commercial and manufacturing classes. The excessive imports of fully and partly manufactured articles are having a ruinous effect upon the manufacturing interests of the nation. Although the efforts to reduce wages which have been made by the employers, have been partly successful, sufficient reductions have not been made to admit of such profits to capital as are necessary to a vigorous and healthy industrial life. Prices have been so lowered by the competition which has been forced upon them, both at home and in neutral markets, that profits have been reduced to a minimum and in many instances completely wiped out, the concerns having gone out of business or removed their plants to protectionist countries. The labor organizations have persistently resisted reduction of wages which were made necessary by such conditions, yielding only in those cases in which their own employment depended upon such concessions. The manufacturers have suffered almost equally with the artisans. Standing between the Continental producers, who are flooding England and neutral markets with their wares, and their own powerful labor organizations, they have been in many instances compelled to succumb. Speaking upon this point the majority of the Royal Commission stated in its report: "*A time may, therefore, come when capital will lose all inducement to lend itself to the work of production; and if the employer is driven out of the field, the laborer will necessarily suffer with him.*"¹

This state of things is doing more to undermine the free trade sentiment and to convert the manufacturers and artisans to the cause of protection than anything else that has occurred since 1846. The change of opinion in favor of protection which is taking place in England among business men and manufacturers, was disclosed by a canvass made in

Growth of
protection-
ist senti-
ment in
Great
Britain.

¹ Royal Commission on Depression of Trade and Industry, Final Report, Paragraph 83.

February, 1889, of the members of the Chamber of Commerce of the city of Manchester. It showed one hundred and eighty-seven protectionists or fair traders, and three hundred and ninety-seven free traders. The following classification of such canvass was published in the Fair Trade Journal:¹

MERCHANTS, SHIPPERS, AGENTS AND BANKERS.

	Fair Trade.	Free Trade.
Merchants, ...	22	37
Shippers, ...	21	106
Agents, ...	25	61
Bankers, ...	1	6
	69	210

MANUFACTURERS, CALICO PRINTERS AND BLEACHERS.

	Fair Trade.	Free Trade.
Cotton, ...	33	74
Woolen, ...	2	3
Flax, ...	1	
Iron, ...	4	5
Chemical, ...	9	5
Paper, ...	5	1
Corn Millers, ...	2	
Miscellaneous, ...	8	5
Bleachers, ...	10	3
Calico Printers, ...	5	14
	79	110

MISCELLANEOUS.

	Fair Trade.	Free Trade.
Provision Merchants, ...	6	1
Accountants, Solicitors, etc., ...	6	20
Described as gentlemen, ...	9	21
Not traceable, ...	18	35
	39	77
Total, ...	187	397

*Probability
of a return
to protec-
tion.*

During the past fifteen years the Cobden Club has been compelled to flood England with pamphlets and literature to meet the attack which protectionists are making upon the policy. The time may come, and in all probability will come within a few years, when the English people will learn wisdom by experience and return to that economic policy which through so many centuries was upheld by her most renowned statesmen. It is believed by many that an open revolt against the ruinous policy of free trade would have occurred before this, had it not been for the encouragement which they received from their friends in the

¹ Vol. IV., February 22, 1889, p. 280.

United States, that the best market in the world would be thrown open to them by the adoption of free trade under the leadership of President Cleveland. Should the United States, in the election of 1896, return to a vigorous policy of protection, English manufacturers will be likely to lose all hope of witnessing a case of commercial suicide on the part of the American people, and settle down to the idea that they cannot rely on the imbecility and folly of other nations to supply them with markets, but that they must do as other nations are doing, foster and encourage their own varied resources at home, and rely on their internal prosperity as the chief source of their wealth. It must be that they will ultimately learn a lesson by studying their own deplorable condition. Their utterances before the Royal Commission which have been cited, show clearly that they now begin to realize the importance of their home markets. With machinery idle a portion of the time, with Continental countries and the United States, to a great extent, closed to their wares by a system of protection, with their own colonies and possessions, South America and Asia, entering upon a system of domestic productions, with neutral markets so invaded by Continental rivals that sales are made in many instances at a loss, and in all instances at a small margin of profit, they are confronted by a most serious situation. With this condition permanently fixed, they begin now to prize their own home trade, to realize the loss which they have sustained in destroying a wealthy and comfortable rural population, which was a large purchaser of their wares and in converting the soil of the United Kingdom into a territory worked by a few land-owners and cultivated by paupers. The small country merchants and the mechanics who lived in comfort throughout the rural districts have had their incomes so reduced that they have become very poor customers. Turning then to the laboring population, to the 30,000,000 people who should form a great body of consumers, they find a degree of idleness through lack of employment, which is most appalling. Incomes and earnings, even among the most skilled artisans and those most steadily employed are only sufficient to provide them with cheap clothing and scanty food.

The consuming power of this vast body of citizens has been forced down to such a low degree that their home market is year by year growing less valuable. To regain that which is lost, to restore to their own people that wage scale, amount of spendable income, and degree of comfort and happiness which a protective policy would bring, would require long years of transformation. An increase in wages would so increase the cost of production that a large portion of their foreign trade would be surrendered, because any nation which relies on foreign trade must sell its commodities in competition with other nations, and at a price which conforms to the cost of production in the lowest competing nation. Mr. Dunckley recognized this principle when he stated that "*the work-*

*Necessity
of a change
of policy.*

*man, instead of parting with his labor in almost direct exchange for food, has to sell it, through several hands in distant markets, and his ability to supply his wants depends really upon the willingness of the foreigner to employ him."*¹

The principle announced touches the very kernel of the wage question under free competition. As long as the English people were provided with superior machinery; as long as their citizens possessed superior skill; as long as manufacturers were able to command more abundant capital; as long as they possessed advantages over all other nations in cheap production; as long as they held a substantial monopoly; as long as they were able to supplant and destroy rivals, control and hold markets, everything went well. But the last forty years has been the most progressive age in all industrial pursuits, in the history of the world. Under a system of protection, Continental countries have built up all branches of rival industries; have provided themselves with the most efficient machinery; have adopted all modern improvements and best appliances, and with an abundance of capital; and with a dense population of apt, industrious and ingenious people, educated to the use of machinery and modern scientific and technical methods, an industrial revolution has been brought about, which has entirely changed the conditions under which England entered upon her policy of free trade. The time is past when any one nation can hold a monopoly of any particular branch of production. As Sir Edward Sullivan has so well pointed out, there is scarcely a commodity which can be produced as cheaply in England as it could be in some other part of the globe. If England continues her free trade policy, and is reduced simply to the production of those articles which can be produced cheaper in England than in any other place, nothing but an exodus of a vast portion of her population will relieve the people from a degree of misery and destitution unknown in the history of the world. A return to protection is absolutely essential to a restoration of prosperity, and to save the producers of the country from the ultimate extinction of their industries. As the productive power of other nations increases, a larger surplus will each year be accumulated to dump on the market of any nation which by a system of free imports makes itself the "rubbish heap of the world."

Sir Edward Sullivan writes as follows:

Do free traders really suppose that when the country comes to its senses it will persevere in the road to ruin, merely to save their apostles from the mortification of being posted as economic charlatans?

Thirty-five years ago the *soi-disant* free traders set themselves to the work—"God's work" they called it—of destroying the landowner. Well, they have nearly succeeded, but in doing so they have destroyed the tenants, and the shop-keepers, and tradesmen, and carriers, and the hundred and one small industries in every agricultural town and village throughout the country; and their clients, the manufacturers

*Will Great
Britain
return to
protection?*

¹ Charter of the Nations, p. 13.

(who supported them), now find to their dismay that their efforts have destroyed the purchasing power of eight or nine millions of their best customers. "See," said the Radical engineers of Manchester, and Birmingham, and Bradford, thirty-five years ago, "how we will blow up the landowners." And lo! they are hoist with their own petard.

In considering the arguments (if they are worthy to be so called) I have advanced in favor of a return to protective duties, two questions naturally suggest themselves

- (1) Is it probable or even possible that England can return to protection?
- (2) If she did so, would the working classes be benefited by it?

The answer to the first question must be sought in a careful analysis of the census. It appears probable that the operative classes, as a body, will go for "protection to land and labor;" if they do so, the manufacturers, the landowners, the tenant-farmers, the laborers, every tradesman and shop-keeper in the manufacturing and agricultural towns and villages throughout the country, the brewers, the publicans, the carriers, and all the small industries, directly or indirectly dependent on the prosperity and spending power of the operative and agricultural classes, will follow them to a man.

*Classes who
will favor
protection.*

The country bankers, private and joint stock, will go for protection, because they hope and believe it will lead to a return of prosperity to land and labor; and in that prosperity lies their only chance of recovering the millions they have advanced to manufacturers, and landowners, and tenants, and tradesmen. The opposition will come from the importers of foreign goods; the large wholesale houses who make more profit by selling foreign manufactured goods than English manufactured goods, the world of fashion who think life impossible without foreign *articles de luxe*; but above all, it will come from the political craftsmen, who, for the space of thirty years, have been crying "Great is free trade," exactly for the same reason that Demetrius and his fellow craftsmen of Ephesus cried "Great is Diana," because they believe it has given them profit and popularity. But there is another and very powerful class who denounce the idea of a return to protection as ignorant nonsense; the promoters of companies, of foreign mines, and loans, and enterprises of all sorts; the stock-brokers, the London bankers, and the great finance houses whose profits depend on the trade of the world; on the industrial prosperity of France and America as much as, if not more than, on the industrial prosperity of England. They have never been so well off, because there never has been so much money at their disposal; the prostration of agricultural and manufacturing industries has liberated a great deal of money; everywhere where it is possible, money is being withdrawn from land, either to hold or to cultivate, and from manufacturing industries, for investment in stocks and shares, and more or less risky foreign enterprises.

*Classes who
will oppose
protection.*

Secondly, supposing England does return to protection, will the working classes be benefited by it? Will foreign nations buy more of our goods because we put a duty on *their* goods? Certainly not. They will continue to buy from us just what they do now, neither more nor less, what they cannot make themselves, and what they cannot buy better elsewhere. But on the other hand we should buy £40,000,000 or £50,000,000 less of their goods, and consume £40,000,000 or £50,000,000 more of our own goods; and £20,000,000 or £25,000,000 of wages that now go into the pockets of foreign operatives would go into the pockets of English operatives. Would a five-shilling duty on corn benefit the working classes? If it merely raised the price of the quartern loaf a half-penny and did nothing else, it is evident it would not; but if, on the other hand, it caused capital to flow into agricultural industries, if it trebled our production of home food, if it caused £60,000,000 that now go abroad to buy foreign food to be spent in cultivating home-grown food, if it increased the income of the agricultural classes £20,000,000, I think there is little doubt it would benefit them. I believe fully that if confidence could be restored to our manufacturing and

*Benefits
that would
result from
protection.*

*Commercial policy
of Great
Britain in
dealing
with
Ireland.*

agricultural industries, if land and labor were protected from "unwise and unjust legislation," we should soon produce £50,000,000 or £60,000,000 worth more food, and £50,000,000 or £60,000,000 worth more manufactured goods, and that our manufacturing and agricultural classes would earn \$50,000,000 or £60,000,000 worth more wages and income. My confidence, therefore, is most absolute that when the nation realizes its true industrial position, and common sense has removed the question from the arena of party politics, the demand throughout the country from almost every class for a return to protection will be irresistible.¹

A review of the commercial policy of Great Britain would not be complete without a special reference to the injuries which were inflicted on the trade and commerce of Ireland during the seventeenth and eighteenth centuries, and the effect of the policy of free trade on manufacturing and agriculture, since its union with England. The antagonisms, which have existed between the two countries through so many centuries, have not been confined wholly to questions affecting religious and political rights. The energy and enterprise which manifested itself in the Irish people soon aroused the jealousy of the commercial classes of Great Britain. As early as the seventeenth century they engaged in manufacturing, making cotton, woolen and other fabrics, built ships and were increasing their foreign trade. In order to obstruct and restrict their commercial enterprises, to prevent them from sharing foreign markets, laws were enacted in 1665 and 1680, which prohibited the Irish people from exporting cattle, sheep, swine, beef, pork and mutton. Through this legislation, one of the chief sources of their prosperity was utterly annihilated. In 1696, by navigation laws, the carrying trade was confined to British ships, which drove nearly every Irish sailing vessel from the sea. In 1669 the export of manufactured articles was prohibited. This closed woolen mills, threw out of employment 30,000 people and reduced 12,000 families to a state of destitution. "So ended," says Lecky, "the fairest promise Ireland ever had of becoming a happy and prosperous country." It would not be within the province of this work to trace the history of those events which led to the independence of the Irish people, which was achieved in 1782, under the leadership of Henry Grattan and others. During the short period of self-government which followed, the development of industries was stimulated and fostered by a system of protective legislation. The prospects and hopes of this unfortunate people were again blasted when, in the year 1800, a union was effected with England, and all local self-government taken away. The commercial features of the act of union were of the highest importance. Import duties on woolen goods and several other articles were continued for a period of twenty years on calicoes and muslins until 1808, reductions were to be gradually made to reach 10 per cent in 1816, and to disappear in 1821. Cotton yarn and cotton twist were similarly treated. Protection to the linen industry lasted until 1826, when it was withdrawn.

¹ The Nineteenth Century, August, 1881, pp. 6-7.

The following brief summary of the effect of such legislation was given by Sir John Barnard Byles:

In 1800 they had in Ireland 91 master woolen manufacturers, employing 4918 hands. In 1840 the master manufacturers were 12, the hands, 602.

Master wool combers in 1800 were 30; the hands 230. In 1834, masters 5; hands 66.

Carpet manufacturers in 1800, masters 13; hands 720. In 1841, masters 1; hands 10.

Blanket manufacturers in Kilkenny in 1800, masters 56; hands 3000. In 1822, masters 42; hands 925.

Flannel looms in the County of Wicklow in 1800, 1000; in 1841, not one.

In the city of Cork:

	1800.	1834.
Braid weavers, ...	1000	40
Worsted weavers, ...	2000	90
Hosiers, ...	300	28
Wool combers, ...	700	110
Cotton weavers, ...	2000	210
Linen check weavers, ...	600	None.

Cotton spinners, bleachers, calico printers—thousands employed, utterly extinct.

The linen trade, protected and fostered until 1826, was not in those days confined to the North of Ireland. In Clonakilty, in the County of Cork, £1200 a week was expended on the purchase of coarse linen webs so late as 1825. In Mayo, £111,000 was expended in purchasing the same species of web. In 1825 the sum of two millions and a half sterling was expended in Ireland in the purchase of coarse, unbleached, homemade webs.¹

The small establishments of Ireland, unable to withstand the excessive competition of those powerful British masters, were closed, and agriculture again became practically the sole occupation of the people. This was urged by Englishmen to be a change which would result in great benefits to the Irish, as they could buy their clothing, implements, etc., much cheaper than they could be made at home, and a trade profitable to both countries could be carried on by exchanging Irish farm produce for British manufactures. But scarcely had the Irish people settled down exclusively to rural pursuits when, in 1846, the repeal of the Corn Laws inflicted a more severe injury upon the country than it had sustained through the loss of the manufactures. It threw the ports of Ireland open to the free admission of the farm products of all countries, and brought them into direct competition with the wheat growers of the fertile regions of America. At the time of the repeal of the Corn Laws, and during the few years preceding that event, what the English people lacked they were buying largely in Ireland. British imports of grain from this source in 1845 amounted to 3,225,000 quarters. To this were added cattle, sheep, swine, etc., which swelled the total purchases from

Destruction of Irish manufactures under free trade.

Injurious effect of free trade on Irish agriculture.

¹ Sophisms of Free Trade, p. 151.

Ireland to £17,000,000 sterling. This market for Irish produce was not only destroyed by the adoption of free trade, but the Irish people themselves became importers of those bread stuffs which hitherto had been produced at home. Although the economic condition of the peasant was deplorable on account of the evils of the land system, the farming interests of the country had kept pace with the constantly increasing population, which rose from 5,216,000 in 1801, to 8,175,000 in 1841. Since the adoption of free trade their manufactures have been ruined, and competing agricultural imports have so increased that at the present time, the Irish people are annually buying from other countries 33,000,000 bushels of grain to feed a population which, as appears by the census of 1891, is reduced to 4,704,000 persons. Although a system of tyranny which has denied to the Irish people the right of self-government and kept the agricultural population in a condition of poverty and degradation, has driven many into exile, yet free trade has largely contributed to the destitution and misery of the people and to that excessive emigration which has occurred. If the British Government had set about designedly to destroy a political rival, it could have adopted no surer means of accomplishing such an end, than the commercial policy to which it has compelled the Irish people to submit since the union was effected.

*Some free
trade
fallacies.*

Officers of the Cobden Club in their efforts to defend a commercial policy which is being condemned by the practical test to which it is subjected in England, resort to many ingenious and deceptive arguments to prove that the condition of the English people has improved under its influences. They cite the fact that in recent years fewer crimes have been committed than during the early part of the century. The influences of the Christian religion, of national education and other moralizing and civilizing agencies which have contributed to the moral and intellectual growth of the English people, are entirely ignored, and the one fact of the decrease in the number of convictions for criminal offences is held up as one of the fruits of a barbarous and degrading commercial policy. Such arguments would not be worthy of notice, did they not find a place in the literature which is yearly sent broadcast throughout the world.

Again, the increase in the incomes of the English people as disclosed by the income tax returns, is pointed to as an evidence of prosperity. This point has already been considered. It has been shown that such increase is due, in part, to improved administration in the collection of taxes, yet independent of this fact, the incomes embraced within the returns constitute the earnings of only a small part of the population of the country, and furnish no proof of the condition of over 30,000,000 of the population, constituting that portion most injuriously affected by the system of free competition.

Another argument which is frequently advanced and which standing

alone and unexplained is quite apt to mislead those who are unacquainted with the subject, is the claim that pauperism has decreased.

As pauperism increases, the advocates of Cobdenism instead of admitting the chief cause of the evil and favoring remedies under which it might be abated, seek to justify the terrible results of free trade, by presenting statistics to show that it is not so bad as in former times. The alleged decrease in pauperism is put forth to prove that the masses are better off under free trade than they were under protection. The number receiving relief, as shown by the parish records in 1833, is compared with that given in the Board of Trade returns of the present time. The public expenditures for poor relief in the former year are set down against the sum devoted to such purposes in 1890, or in recent years as disclosed by the official records. That such comparisons are unfair, and prove absolutely nothing, is well understood in England. They can deceive only those who are not familiar with the history of the Poor Laws of the country. The system of poor relief in operation prior to 1834, when contrasted with the laws and policy since that date exposes the deception which is practiced with some degree of success by those who are compelled to resort to all manner of arguments in their efforts to uphold a most vicious economic policy.

*Alleged
decrease of
pauperism.*

Prior to the reign of Elizabeth, the poor of the realm were the special care of the Church. In 1536, Henry VIII. provided that every parish should collect alms for the helpless poor and empowered local officers to compel the able-bodied poor to work for a living. By 43d Elizabeth, Chap. II, the Poor Laws were systematized, amended and embodied in a comprehensive code. The preamble to this act stated that it was the object of the law "to set the poor to work, to relieve the lame, impotent and blind, and to put their children as apprentices." By this act the labor test was applied and every person able to work was to be denied relief, excepting on condition of his being put to work. Under James I., "Houses of Correction" were established, in which the able-bodied who applied for assistance could be employed. These houses of correction later became penal institutions, and were the forerunner of the "work-house." By act of George I., 1723, the law was still further amended, by providing that all those who applied for assistance should be required to enter the poor house, prohibiting all assistance outside of the public institution. It appears that this act was never fully enforced. The act of Queen Elizabeth remained in force in its main features until 1782, when by 22d George III., Chap. 83, a law known as Gilbert's Act was passed by parliament, which entirely changed the principle of the labor test for those able to work. Under the new law the guardians of every parish were compelled to provide the laborers of their parishes with employment or assistance. By this and a subsequent act of 1797, the support of the masses was in effect made a charge upon the land, and

*The
Poor Laws.*

outdoor relief, without work, became a legal right which could be invoked. On this subject Yeats says :

Tables were made out, stating the amount of wages which a laborer *ought* to be paid, in relation to the price of bread. The minimum wages were put down at 3s. a week, increasing with the cost of the loaf and with the number of the children in the family. A man with seven children, when bread was 3s. a peck, could demand, by law, relief to the amount of 15s. a week, and when bread rose to 4s. 3d., to the amount of 20s. 3d. Paupers secured in this manner as much bread in seasons of scarcity as in those of abundance, while the thrifty rate-payers had to deny themselves many of the necessities of life, whenever bread was dear, in order to pay their rates. If the object had been to boast of the large sum spent upon paupers or to cultivate the pauper community, as one of the resources of the kingdom, success could not have been more complete. ¹

*Extent of
pauperism
due largely
to the
vicious
system of
poor relief.*

It was under this act which remained in force until 1834, that the number of those applying for relief reached great proportions. Prior to the passage of this act, the number of paupers recorded was small, and the sums expended in this way were comparatively moderate. Between the close of the Napoleonic wars and 1834, many old and industrious artisans were thrown out of employment by the introduction of machinery. This change, together with the large number of soldiers discharged at the close of the war, who sought employment at a time when thousands of laborers were being displaced, caused much suffering among the laboring people which could be remedied only by the process of readjustment of society to the new methods of production. But apart from the foregoing considerations the law itself placed a premium on idleness and offered an inducement and encouragement to pauperism. It is conceded by English historians that the increase in public expenditures and in the number of paupers was brought about more by the vicious features of the law and the corruptions in its administration than by inability to find employment.

*Results of
the investi-
gation in
1834.*

The question was finally considered under Lord Grey's government in 1834, when a parliamentary commission was appointed to investigate the whole subject of the Poor Law administration. The commission was composed of Dr. Bloomfield, of London; Dr. Sumner, Bishop of Chester, and afterward Archbishop of Canterbury; Mr. Sturges Bourne, Mr. Nassau Senior, and three others. The inquiry was chiefly conducted by assistant commissioners, of whom Mr. Edwin Chadwick was the most active. Molesworth gives the following description of the working of the system:

Their inquiries, revealed a multitude of abuses and stupidity in the administration of the poor laws far beyond what was previously known or suspected. Jobbery reigned supreme almost everywhere. Tradesmen exacted exorbitant prices from the parish, and bribed the parish officers to wink at their extortions. In

¹ Recent and Existing Commerce. p 98.

many instances the rates were used to influence and corrupt the electors of parliamentary boroughs. The attempts which in some cases were made by the overseers to prevent impositions were generally overruled by the magistrates. The scale of relief given acted as an inducement to improvident marriages. In many instances it was found that the able-bodied paupers received higher allowances than the infirm and disabled. In the workhouse the pauper was overfed with beef and mutton, while the man who earned his food by the sweat of his brow could scarcely obtain bread; and the pauper often received in relief a larger amount than the industrious and independent laborer was paid in wages. When relief was once obtained, it was regarded as a kind of vested interest, to be continued through life. Often pauper parents begat pauper children; and so on to the third and fourth generation. Relief was given in the most careless manner, and with gross partiality. In Buckinghamshire it was allowed to all who chose to ask for it. The recipients were often known to be thieves or prostitutes. In many instances the allowance was extorted by violence and threats. Since the commencement of machine-breakings and rick-burnings, the amount had greatly increased, the allowance often being, in fact, a bribe given to the rioters in the hope of propitiating them. In some cases, at least, it was shown to be the cause of the outrages committed. Relief was insolently demanded for children, whose fathers were receiving high wages, or wasting their earnings in drunkenness and disorderly living. In Sussex laborers refused to work, preferring to live on the parish allowance.¹

*Poor Law
reform.*

Upon the coming in of the report of the commissioners, which disclosed the facts as briefly summarized above by Molesworth, the new Poor Law was enacted, embodying substantially the recommendation of the commission. Although severe in many of its features, it was designed to deal with a condition which had become a menace to the welfare of the nation. By this act of 1834 (4th and 5th, William IV.), the principal features of the act of Elizabeth and George I. were restored. Outdoor relief was abolished. The labor test was restored and able-bodied paupers could not receive assistance, except on condition of their entering the workhouse and rendering service to the government in compensation for the aid received. A person able to work could not receive assistance for himself or his family except by entering the workhouse. The administration of the law was placed under the control of a central body, which directed its enforcement through local guardians: subsequently the country was divided into unions embracing large districts. The result of this legislation demonstrates that corrupt administration of a bad system was the chief cause of the large public expenditures and the large number of persons assisted under the old law. Molesworth says:

The hopes of its authors were more than fulfilled, and the predictions of its opponents signally falsified. The introduction of the new act was speedily followed by diminished rates, higher wages, employment for all who sought it, a cessation of riots, rick-burnings and machine-breaking, and a great improvement in the habits and character of the working classes.²

The fact that such changes immediately followed the repeal of the old law and that rates were reduced one-half in less than three years shows

¹ History of England. Vol. I., p. 310. ² Id., p. 318.

that the records of the number relieved, and the amounts expended by the parishes furnished no proof of destitution, lack of employment, or misery among the laboring masses during the protective period. The citation of the old records by the advocates of free trade as an evidence against the policy of protection, is simply a part of the general plan of misrepresentation and deception which is resorted to upon all branches of the subject, to discredit the system of protection and to sustain the policy of free trade. In comparing the extent of the pauperism which prevails in England at the present time with that which marked the earlier period, it should be noted that while the old Poor Law gave relief to nearly every one who asked and was extravagantly and corruptly administered to swell the sales of local merchants, and while it acted as an encouragement to pauperism, the present law is administered in so niggardly a way, and the terms of relief imposed upon the able-bodied and the casually poor are so humiliating that nothing short of the worst destitution, and the actual peril of starvation drive men to seek public aid. The policy of the present law is to discourage pauperism and place the pauper on practically the same level as the criminal.

General William Booth, gives the following description of the present administration of the Poor Laws in 1890:

Present administration of poor relief.

The first place must naturally be given to the administration of the Poor Law. Legally the State accepts the responsibility of providing food and shelter for every man, woman, or child who is utterly destitute. This responsibility, it, however, practically shirks by the imposition of conditions on the claimants of relief that are hateful and repulsive, if not impossible. As to the method of Poor Law administration in dealing with inmates of workhouses or in the distribution of outdoor relief, I say nothing.

Both of these raise great questions which lie outside my immediate purpose. All that I need to do is to indicate the limitations—it may be the necessary limitations—under which the Poor Law operates. No Englishman can come upon the rates so long as he has anything whatever left to call his own. When long continued destitution has been carried on to the bitter end, when piece by piece every article of domestic furniture has been sold or pawned, when all efforts to procure employment have failed, and when you have nothing left except the clothes in which you stand, then you can present yourself before the relieving officer and secure your lodging in the workhouse, the administration of which varies infinitely according to the disposition of the Board of Guardians under whose control it happens to be.

If, however, you have not sunk to such despair as to be willing to barter your liberty for the sake of food, clothing and shelter in the workhouse, but are only temporarily out of employment seeking work, then you can go to the Casual Ward. There you are taken in and provided for on the principle of making it as disagreeable as possible for yourself, in order to deter you from again accepting the hospitality of the rates—and of course in defence of this a good deal can be said by the political economist. But what seems utterly indefensible is the careful precautions which are taken to render it impossible for the unemployed Casual to resume promptly after his night's rest the search for work. Under the existing regulations, if you are compelled to seek refuge on Monday night in the Casual Ward, you are bound to remain there at least till Wednesday morning.

Under the present system, therefore, the penalty for seeking shelter from the streets is a whole day and two nights, with an almost impossible task, which, failing to do, the victim is liable to be dragged before a magistrate and committed to the gaol as a rogue and vagabond, while in the Casual Ward their treatment is practically that of a criminal. They sleep in a cell with an apartment at the back, in which the work is done, receiving at night half a pound of gruel and eight ounces of bread and the next morning the same for breakfast, with half a pound of oakum and stones to occupy himself for a day.

The beds are mostly of the plank type, the coverings scant, the comfort *nil*. Be it remembered that this is the treatment meted out to those who are supposed to be Casual poor, in temporary difficulty, walking from place to place seeking some employment.

The treatment of women is as follows: Each Casual has to stay in the Casual Ward two nights and one day, during which time they have to pick two pounds of oakum or go to the washtub and work out the time there. While at the washtub they are allowed to wash their own clothes, but not otherwise. If seen more than once in the same Casual Ward, they are detained three days by order of the inspector each time seen, or if sleeping twice in the same month the master of the ward has power to detain them three days. There are four inspectors who visit different Casual Wards; and if the Casual is seen by any of the inspectors (who in turn visit all the Casual Wards) at any of the wards they have previously visited they are detained three days in each one. The inspector, who is a male person, visits the wards at all unexpected hours, even visiting while the females are in bed. The beds in some wards are composed of straw and two rugs, in others cocoanut fibre and two rugs. The Casuals rise at 5.45 a. m. and go to bed at 7 p. m. If they do not finish picking their oakum before 7 p. m., they stay up till they do. If a Casual does not come to the ward before 12.30, midnight, they keep them one day extra.

*Treatment
of women.*

The theory of the system is this, that individuals casually poor and out of work, being destitute and without shelter, may upon application receive shelter for the night, supper and a breakfast, and in return for this, shall perform a task of work, not necessarily in repayment for the relief received, but simply as a test of their willingness to work for their living. The work given is the same as that given to felons in gaol, oakum-picking and stone-breaking.

*Inhuman-
ity of the
system*

The work too is excessive in proportion to what is received. Four pounds of oakum is a great task to an expert and an old hand. To a novice it can only be accomplished with the greatest difficulty, if indeed it can be done at all. It is even in excess of the amount demanded from a criminal in gaol. The stone-breaking test is monstrous. Half a ton of stone from any man in return for partially supplying the cravings of hunger is an outrage which, if we read of as having occurred in Russia, or Siberia, would find Exeter Hall crowded with an indignant audience, and Hyde Park filled with strong oratory. But because this system exists at our own doors, very little notice is taken of it. These tasks are expected from all comers, starved, ill-clad, half-fed creatures from the streets, foot-sore and worn out, and yet unless it is done the alternative is the magistrate and the gaol. The old system was bad enough, which demanded the picking of one pound of oakum. As soon as this task was accomplished, which generally kept them to the middle of the next day, it was thus rendered impossible for them to seek work, and they were forced to spend another night in the ward. The Local Government Board, however, stepped in and the Casual was ordered to be detained for the whole day and the second night, the amount of labor required from him being increased four-fold.¹

¹ Darkest England and the Way Out, pp. 67-70.

*Unfair
basis of
compari-
son.*

It is not the purpose of the writer to discuss the merits or the demerits of the system, but simply to point out that a policy which is evidently framed and administered, in part at least, for the purpose of discouraging the destitute from applying to the public for assistance, furnishes an unfair basis for comparison with the former extravagant administration of the old law. It should be further mentioned that by the advance of civilization the general improvements under which, during the last half century, man's ability to supply his wants have been so largely increased, the tendency among civilized nations has been toward the decrease of crime, destitution and pauperism. Taking into consideration this fact, the increase in pauperism in recent years in England furnishes more pronounced evidence that it is brought about by an unwise and degrading economic policy. Independent of all comparisons, the free trade economist should not be permitted to evade the responsibility which is now resting upon the English people, by raising a false and irrelevant issue. The policy of free trade must be tried and tested by present conditions. The degree of idleness, destitution and pauperism existing in England under free trade at the present time, after forty years of growth, of most marvelous civilizing and elevating agencies, is the important fact to be considered. Although the official records and statistics which are used as a basis of comparison, are very imperfect and disclose only a small part of the misery which so universally prevails, yet when taken by themselves they make a very bad showing.

*Present
extent of
pauperism
in Great
Britain.*

The official returns of the British Government as reported in the Statistical Abstract, give the number of paupers relieved on the first of January, 1891 and 1894, as follows:

	1891.	1894.
England and Wales, ...	774,905	812,441
Scotland, ...	93,422	95,196
Ireland, ...	107,129	104,031
Total, ...	975,456	1,011,668

Paupers in Europe in 1888, given by Mulhall, Dictionary of Statistics:

	POPULATION.	PAUPERS.
France, ...	38,800,000	290,000
Germany, ...	48,600,000	320,000
Russia, ...	92,000,000	350,000
Austria, ...	40,100,000	290,000
Italy, ...	30,300,000	270,000
Holland, ...	4,600,000	88,000
Total, ...	253,600,000	1,558,000

The population of the United Kingdom in 1891 was 37,731,415. By the official records then, of the British Government, it appears that one out of every twenty-eight was a pauper. It may be well to mention in

this connection that the census of the United States in 1890 returns 73,045 paupers (United States Census Bulletin of 1890, No. 154), out of a population of 62,000,000, or one in every 851.

The official returns of the United Kingdom are very imperfect and only contain a partial statement of the pauperism which actually exists. Mr. Sidney Webb said:

Neither the Local Government Board nor the *Times* ever tells the world that over three millions of separate individuals were driven to accept Poor Law relief during last year—one in ten of our wage-earners. The Local Government Board returns carefully conceal the fact that at least 25 per cent of all persons over sixty-five years of age are paupers, and 40 per cent of those over seventy.¹

The official returns exclude from their enumeration "vagrants" and those given "casual relief," and simply include those of other classes who are being assisted on the first day of January of each year at the time when the return is made. The millions of laborers who, through lack of employment, sickness and misfortune, apply for casual relief during the year, are not mentioned in the returns. This fact accounts for the difference in numbers given in the Statistical Abstract and the reports of official investigating committees.

It is an economic dogma that all forms of poor relief and public charity tend to encourage and increase pauperism. Under this claim a system of administration which is most humiliating and subjects the unfortunate to most severe hardships, and makes the yoke of poverty most galling, is justified. It is the opinion of many, however, that contributions and expenditures are kept as low as possible solely to protect the rate-payer. The free trade party in England has exercised great shrewdness in crowding as much of the care of the poor as possible on the labor unions. Were it not for the vast sums expended each year by the unions in out-of-work and sick benefits, the pauper class would be very largely increased. It should also be pointed out that there are over sixty private charitable societies organized for the relief of the destitute, supported by individual contributions. The vast sums expended through these sources should not be lost sight of in making calculations of the extent of this burden, and especially when comparisons are made with former periods, when there were no labor unions and few charitable societies.

In January, 1885, Mr. Frederic Harrison, in commenting on the widespread destitution before the Industrial Remuneration Conference, said:

The number of the destitute.

To me at least it would be enough to condemn modern society as hardly an advance on slavery or serfdom, if the permanent condition of industry were to be that which we behold, that 90 per cent of the actual producers of wealth have no home that they can call their own beyond the end of the week, have no bit of

¹ The London Program, 1891, p. 97.

soil, or so much as a room that belongs to them; have nothing of value of any kind, except as much old furniture as will go in a cart; have the precarious chance of weekly wages, which barely suffice to keep them in health; are housed for the most part in places that no man thinks fit for his horse; are separated by so narrow a margin from destitution that a month of bad trade, sickness, or unexpected loss, brings them face to face with hunger and pauperism.¹

After a careful examination of the subject, General Booth reaches the conclusion that the destitute army is 3,000,000 strong. He says:

According to Lord Brabazon and Mr. Samuel Smith, "Between two and three millions of our population are always pauperized and degraded." Mr. Chamberlain says there is a "population equal to that of the metropolis"—that is, between four and five millions—"which has remained constantly in a state of abject destitution and misery." Mr. Giffen is more moderate. The submerged class, according to him, comprises one in five of manual laborers, six in 100 of the population. Mr. Giffen does not add the third million which is living on the border line. Between Mr. Chamberlain's four millions and a half, and Mr. Giffen's 1,800,000, I am content to take three millions as representing the total strength of the destitute army.

Darkest England, then, may be said to have a population about equal to that of Scotland. Three million men, women and children, a vast despairing multitude in a condition nominally free, but really enslaved; these it is whom we have to save.²

Results of investigation.

The most trustworthy and authentic evidence of the deplorable condition of the masses of the English people is found in the Final Report of the Royal Commission on Labor (quoted below), which was made to parliament in June, 1894, after a most searching and thorough investigation, extending over a period of more than two years. The official character of the statements, contained in the report, together with the fact that they were based upon evidence presented before the commission, of numerous witnesses consisting of government experts, officials and individuals who had made a special study of the condition of the masses, confirms the largest estimates hitherto made by individuals. It is a significant fact that the lack of employment which was shown to prevail so largely in 1885-86, has continued up to the present time, and has grown more severe and widespread as imports of competing commodities have continued to increase. The Labor Commissioners, referring to this question said:

"Perhaps the most unsatisfactory of all the features in the present relations between employers and employed, is the irregularity of the work of large sections of the community. We regard this irregularity as one of the most serious of the factors at present tending to degrade the standard of life."³

Upon the question of agriculture it may be well to mention additional proof from the report of John E. Gorst. To show the permanent condition of laborers in this department, he said:

¹ Report, p. 229.

² Darkest England and the Way Out, p. 23.

³ Final Report, p. 140.

The depressed condition of the actual tiller of the soil in most parts of the United Kingdom appears to me to react in a very pernicious way upon the wages and general conditions of labor of the whole body of the less skilled workers. The insufficient wages of the agricultural laborer, his long and monotonous hours of toil, the dilapidated dwelling in which he is too often housed, the absence of leisure and all interest in his life, the difficulties (only now in process of removal) of obtaining the use of land for his own cultivation, and the prospect of the workhouse as the ultimate destiny of his old age, all combine to induce the younger generation to denounce the vocation of their fathers and to migrate into the towns, where they displace the older and less efficient workers in industries already overcrowded.¹

Mr. William Abraham, Mr. Michael Austin, Mr. James Mawdsley and Mr. Tom Mann, members of the Royal Commission on Labor, in their minority report to parliament, dated June, 1894, in describing the condition of the working classes, as disclosed by the evidence presented before the commission, said:

*Minority
Report of
Labor Com-
mission.*

Notwithstanding a great increase in national wealth, whole sections of the population comprising, as we believe, at least five millions, are unable to obtain a subsistence compatible with health or efficiency. Probably two millions are every year driven to accept Poor Law relief in one form or another. In London, the wealthiest and most productive city of the world, we learn from Mr. Charles Booth's researches that 32 per cent of the total population falls below the "Poverty Line"—that guinea per week of regular earnings below which no family can live in decency and health. And when we find that in certain districts of the metropolis one-half and even three-fifths of the entire population fall below that minimum, and that this state of things arises from no exceptional distress, but represents the outcome of fifty years of steady improvement, we cannot but regard the situation as calling for the gravest consideration of the government. Nor is this destitution confined to unskilled or specially degraded classes of workers. Even in those grades in which labor is better paid, the statistics of the Labor Department show that a large number of competent mechanics are at all times out of employment, whilst in periods of trade depression many thousands of men are in the same condition.

And if we turn from the occupations of the workers to the homes in which they live, the state of things appears to us equally unsatisfactory. We do not here refer so much to the insanitary state of the slums as to the actual amount of house accommodation which each family obtains. Nearly two and a half millions of persons in England and Wales alone, live in tenements which the Registrar-General declares to be overcrowded. The statistics of the census, and those of Mr. Charles Booth, indicate that probably from 20 to 33 per cent of the whole population of some of our largest towns dwell in one-room homes. In London alone, we infer that a quarter of a million persons, including probably 100,000 children, must be living under the conditions which are implied by the occupation by a whole family, of a single small room for all the purposes of domestic life. The percentage of one-room homes in Glasgow, Kilmarnock and other Scotch towns is even greater, whilst of English towns the Registrar-General reports that Gateshead, Newcastle, Sunderland, Plymouth, Halifax, Bradford and Huddersfield all showed a higher percentage of overcrowding than London as a whole. In many districts of Ireland the conditions are equally bad. Nor are the evils of bad

¹ Fifth and Final Report of the Royal Commission on Labor, June, 1894, p. 151.

housing confined to the towns. The reports of the Assistant Commissioners on the agricultural population reveal in nearly all the districts a terrible deficiency of house accommodation, even for the at present diminishing population of the country side.

Finally we have the fact that all who survive to the age of seventy, one out of every three is believed to be in receipt of poor relief. In London one death in every six takes place in the workhouse or workhouse infirmary. In some rural districts it has been said nearly every aged agricultural laborer is a pauper. We have been unable to ascertain the actual number of pauper funerals, but we believe that it would be found that throughout the whole kingdom one person out of every four or five is buried by the parish.

It is impossible to refrain from connecting this deplorable condition of the working class with the fact that two-thirds of the annual product of the community is absorbed by one-fourth of its members, and that the annual tribute of rents, royalties, and dividends levied upon the industry of the nation amounts to nearly five hundred millions sterling.¹

*The case
against
free trade.*

Never was such an indictment framed against an economic policy. A similar condition of the working classes is not to be found in any civilized country on the face of the globe. Were the foregoing statements contained in reports of United States Consuls, or in letters written by the most trustworthy and candid protectionists, they would be denounced and discredited by every professional free trader in the world. But coming as they do, from an official report to the British parliament, from men who were held in such high esteem by the government as to appear worthy of executing such an important trust, they cannot be questioned. The report is above impeachment. The facts set forth are more appalling because they are true. *"Throughout the whole kingdom one person out of every four or five is buried by the parish."* What a fact to contemplate! *"Of all who survive to the age of seventy, one out of every three"* is a pauper. Death at middle life is better than old age. Yet, even then, a pauper's grave is the lot of one out of five. No amount of accumulated wealth centred in the hands of a few, can compensate a nation for such a condition of the masses. A vast commerce, innumerable ships visiting every harbor in the world, are dumb and speechless as expressions of national growth and prosperity, when the harbors from which they are sent and the country whose flag flies at their masthead, are festering with destitution and despair. The loud boastings of the champions of a policy under which such conditions exist cannot long drown the voice of multitudes pleading for work. No false statistics, no amount of jugglery or of legerdemain with alleged "economic truths" can cover up or explain away the undeniable evidence of the terrible effects of the policy of free trade upon the social and industrial life of the English people. This is the result of nearly fifty years of an economic policy which was put out by Mr. Cobden and his associates, as a "cure-all," a system which, before it became tested by actual experience,

¹ Fifth and Final Report of the Royal Commission on Labor, pp. 127, 128 and 129.

received the approval and endorsement of many able and conscientious political economists. Sustained at first by assumptions, prophecies and speculations, it has been condemned and exposed by a fair trial. Originally false in theory, it has been equally infamous in its results. Had it not been for the patriotism, wisdom and humanity of the people of other nations, this economic devil-fish would have fastened its tentacles upon all nations, and dragged the whole world into its pool. It has reduced to degradation and misery the wage-earners of the greatest commercial nation on the globe, and bound them to a condition of servitude in some respects worse than chattel slavery. Adopted at a time when the most magnificent results had been achieved through protection, it has arrested industrial growth, and sent the nation on the road to ruin. Powerful as a destroying agency, it has proven impotent and weak as a saving ordinance. That "cheapness" which was sought to be secured, has cheapened men as well as commodities. The consumer has suffered with the producer. Falling most heavily, and striking first at the wage-earner, it has dealt blow after blow at the whole industrial life of the kingdom, reduced profits of manufacturers, incomes of clerks, country merchants, mechanics and all who depend on the rewards of labor for subsistence. It has eaten into the vitals of the nation like an incurable disease. Skilled artisans have fled the country, followed by capital and industries, seeking shelter under that policy of protection to home industries through which alone a nation can become great and its citizens prosperous. As industries have been supplanted and labor displaced by competing imports, instead of finding employment in other industries, they have found relief either in emigration or in almshouses. Goods have not been paid for with goods. Imports instead of stimulating domestic production have closed factories, thrown labor out of employment, silenced machinery, and increased the army of unemployed and beggars. Instead of stimulating artisans and manufacturers to greater exertion and higher skill, free trade has blighted their prospects, destroyed hope and left them in despair, committed to a life-and-death struggle for existence. Instead of undermining and destroying foreign rivals it has forced them as a means of self-defence, to build up industrial systems which have arisen to menace and cripple their would-be destroyer. The greed and avarice upon which the whole fabric was reared are meeting their just retribution, yet the innocent are suffering with the guilty. Failing to monopolize the markets of the world it is now powerless to defend markets at home. Mr. Cobden and his associates built their whole commercial policy on false theories, false prophecies and false hopes, which were to be shattered and destroyed by a few years of actual experience. This is free trade in England.

The wage-earners the victims.

TABLES SHOWING FOREIGN TRADE OF
TABLE NO. 12.—*Schedule Showing Imports of Agricultural Products*
1890. *Compiled from the Official Returns*

No.	ARTICLES.	1836.	1846.	1856.	1860.
1	Oxen, bulls, etc., ...			\$ 5,760,065	\$ 7,666,650
2	Sheep, swine, etc., ...			1,311,015	2,769,815
3	Bacon and hams, ...			5,337,250	4,799,690
4	Beef, ...			1,782,500	2,044,915
5	Butter and margarine, ...	\$1,705,320	\$ 1,863,635	13,128,700	20,337,975
6	Cheese, ...	1,571,165	2,533,805	5,375,675	7,875,500
7	{ Confectionery, Condensed milk, }				16,140
<i>Corn and grain:</i>					
8	Wheat, ...			62,152,185	82,700,075
9	Barley, ...			5,851,545	16,785,780
10	Oats, ...			6,881,085	13,120,790
11	Rye, ...			279,810	857,955
12	Peas, ...			914,620	3,089,230
13	Beans, ...			3,090,500	3,967,255
14	Buckwheat, ...	966,740	23,465,745	5,790	95,100
15	Maize, ...			14,148,970	15,829,020
16	Total corn and grain, . .	\$966,740	\$23,465,745	\$93,324,505	\$136,445,205
17	Meal and flour, wheat, . . .			19,892,910	21,568,080
18	{ Oats, maize, etc., Indian corn and unenumerated meal, }			48,560	237,320
19	Eggs, ...			1,392,110	2,392,890
20	Farinaceous, ...			314,005	884,855
21	Fish, ...			929,750	1,917,695
22	Fruit, apples, ...			998,430	
23	Hops, ...			171,015	2,764,655
24	Lard, ...			2,157,100	2,929,980
<i>Meat, salted and fresh:</i>					
25	Preserved, other than salted, .				289,240
26	Mutton, fresh, ...				
27	Pork, fresh and salted, . . .			1,799,445	1,933,215
28	Total meat, salted and fresh,			\$1,799,445	\$2,222,455
29	Onions, raw, ...			211,625	472,595
30	Potatoes, ...			96,020	682,510
31	Poultry and game, ...			241,160	316,520
32	Sauces, ...				76,455
33	Vegetables, ...				240,510
34	Vinegar, ...			8,520	10,550
35	Yeast, dried, ...			856,710	919,125
	Total, ...	\$4,243,225	\$27,863,185	\$155,137,070	\$219,592,085

GREAT BRITAIN FROM 1836 TO 1892.

Retained for Home Consumption by the United Kingdom from 1836 to of the Board of Trade of Great Britain.

1865.	1870.	1875.	1880.	1885.	1890.	No.
\$22,007,410	\$15,735,305	\$24,425,560	\$38,949,690	\$35,211,530	\$52,526,750	1
8,939,330	5,756,865	10,919,340	11,329,750	8,124,995	3,551,145	2
10,604,745	8,484,670	32,258,435	51,024,380	40,139,050	45,536,680	3
2,022,945	1,903,195	2,174,690	11,956,065	13,838,975	20,900,875	4
29,352,455	33,497,925	41,577,460	59,608,475	55,865,185	66,563,400	5
12,161,535	15,888,095	23,025,685	24,848,235	19,584,425	23,996,635	6
41,800	423,395	1,449,545	2,510,105	3,963,995	1,157,420 3,109,920	7
48,814,790	78,449,705	137,352,445	150,338,265	118,991,985	117,250,550	8
12,623,965	14,159,425	23,065,390	25,022,690	22,625,050	24,857,500	9
13,855,665	21,908,035	26,926,710	24,613,650	21,215,890	19,495,695	10
314,040	483,075	592,070	221,115	519,745		11
1,593,010	1,486,330	3,729,490	4,165,955	3,032,865	8,156,350	12
1,979,590	3,243,775	7,830,330	5,049,945	5,367,775		13
69,440	7,405	212,005	63,020	133,460		14
11,171,980	28,952,750	40,548,845	54,713,560	42,251,430	49,315,165	15
\$90,422,480	\$148,690,500	\$240,257,285	\$264,188,200	\$214,138,200	\$219,075,260	16
13,043,760	15,608,345	24,302,460	43,193,290	47,901,665	44,883,080	17
27,040	99,055	238,630	2,144,875	1,782,800	1,326,250	18
4,641,235	5,510,400	12,791,050	11,174,685	14,634,745	17,126,035	19
992,600	1,164,605	2,100,675	2,436,445	3,253,310	6,205,760	20
2,315,045	3,414,425	5,372,925	6,801,585	8,040,660	11,590,910	21
	1,329,365			3,562,480	3,930,360	22
2,204,605	2,064,485	5,774,940	4,337,595	4,901,835	4,258,550	23
2,305,080	3,627,005	7,838,920	8,704,165	7,590,135	9,181,520	24
183,155	1,248,635	4,121,965	11,465,540	14,674,010	26,353,550	25
				7,431,000	17,238,880	26
2,816,865	3,356,745	2,884,415	3,254,920	3,319,315	2,029,395	27
\$3,000,020	\$4,605,380	\$7,006,380	\$14,720,460	\$25,424,325	\$45,621,825	28
604,130	1,947,530	1,604,550	2,655,035	2,361,455	3,225,710	29
806,205	1,224,325	5,349,845	14,215,910	3,619,735	3,527,970	30
742,610	791,625	1,635,105	2,100,355	3,270,845	4,459,925	31
50,560	89,295	83,850	131,235	138,315		32
341,765	745,280	545,000	1,732,665	2,170,305	3,518,865	33
256,825	22,810	32,945	52,815	41,440		34
1,161,100	1,430,475	2,009,925	2,723,915	4,087,165	3,354,990	35
\$208,055,280	\$274,054,355	\$452,775,200	\$581,499,930	\$523,647,570	\$598,629,835	

TABLE

*Schedule Showing Imports of Fully Manufactured Articles Retained
Compiled from the Official Returns of*

No.	ARTICLES.	1836.	1846.	1856.	1860.
1	Arms and ammunition, ...				\$423,565
2	Art works, ...				6,880
3	Beads, ...			\$448,930	620,085
4	Books, ...			306,010	433,635
5	Brass, bronzes, etc., ...				297,160
6	Buttons and studs, ...				373,290
7	Candles, ...			865	
8	Caoutchouc (rubber), ...			569,500	332,600
9	Chemicals, ...			1,463,335	1,702,405
10	China and earthenware, ...			284,465	366,955
11	Clocks, ...	\$211,265	\$429,275	704,045	1,096,980
12	Copper, ...			159,730	300,810
13	Cork, ...	246,895	280,550	134,635	146,835
14	Cotton, ...		638,775	2,148,965	3,098,035
15	Embroidery and needlework, ...			604,925	449,315
16	Flowers, artificial, ...			493,280	575,185
17	Glass, ...		270,695	554,435	1,076,140
18	House fittings and joiner work, ...				
19	Hats and bonnets, ...			143,820	150,530
20	Iron and steel wrought, or manu- factured metals unwrought, ...			54,585	220,335
21	Lace, ...			244,980	277,805
22	Leather gloves, ...	186,370	286,800	1,383,210	2,756,480
23	Leather boots and shoes, ...			639,255	309,185
24	Leather unenumerated, ...			457,220	409,040
25	Linen, ...	192,545	265,025	462,970	532,800
26	Musical instruments, ...			649,065	848,315
27	Oil, chemical essential and per- fumed, ...			502,420	369,780
28	Painters' colors, ...			315,730	791,520
29	Paper, ...			121,825	511,900
30	Paper hangings, ...			73,470	67,885
31	Perfumery, ...				35,515
32	Pictures, etc., by hand, ...			654,250	378,340
33	Prints, engravings, etc., ...			129,730	319,275
34	Silks, ...	3,340,310	5,232,970	11,245,855	14,134,525
35	Stationery other than paper, ...			146,890	306,260
36	Skins, furs and pelts, ...				
37	Sugar, refined, ...			1,097,865	2,686,840
38	Toys, ...			306,720	358,920
39	Watches, ...			975,020	1,676,690
40	Woolen goods, ...	640,930	1,327,250	6,596,705	5,910,415
41	Zinc, ...			932,645	668,110
42	Unenumerated, ...	219,195	215,110	7,910,125	4,334,560
	Total, ...	\$5,037,510	\$8,946,450	\$42,917,475	\$49,354,900

No. 13..

*for Home Consumption by the United Kingdom from 1836 to 1890.
the Board of Trade of Great Britain.*

1865.	1870.	1875.	1880.	1885.	1890.	No.
\$1,010,650	\$443,375	\$651,545	\$791,130	\$3,051,170	\$1,372,375	1
114,045	224,820	569,790	410,500	279,805	479,615	2
360,595	220,156	466,600	233,070	201,255	101,265	3
571,880	571,660	773,825	803,420	960,320	1,293,910	4
459,120	278,205	470,590	233,305	279,785	626,135	5
231,525	590,965	1,641,310	3,265,405	1,419,845	1,765,300	6
283,175	187,215	197,495	373,330	119,380	78,440	7
249,695	173,850	465,220	517,045	1,915,115	1,657,150	8
2,177,035	1,961,115	4,586,745	4,967,860	5,563,255	5,961,660	9
809,480	744,975	1,874,100	2,083,140	2,326,480	2,931,620	10
1,027,410	1,245,870	1,919,100	2,407,610	1,828,215	2,355,375	11
391,600	284,040	194,535	380,135	177,775	392,900	12
490,350	652,720	1,856,595	1,700,490	2,164,525	2,904,260	13
2,803,060	4,354,650	5,400,290	9,270,425	7,183,030	9,838,495	14
282,210	343,910	451,295	130,890	437,045	1,759,350	15
1,493,965	1,326,410	2,535,420	2,292,465	1,352,625	1,804,480	16
2,934,045	4,223,820	7,887,365	7,947,460	7,503,435	9,843,290	17
				1,327,180	3,082,395	18
2,904,950	296,220	723,520	584,620	717,660	792,635	19
2,012,965	2,381,630	5,472,025	8,610,470	9,998,075	13,843,200	20
753,085	2,534,905	1,940,030	2,251,005	4,645,895	4,071,495	21
4,964,895	5,866,895	12,098,510	8,505,935	7,012,620	8,223,865	22
409,090	646,070	977,490	1,357,720	1,073,500	987,290	23
588,700	308,995	1,459,210	1,278,675	900,525	1,849,875	24
592,355	662,915	837,260	984,770	1,183,320	1,958,935	25
1,156,290	939,340	2,910,100	2,941,510	3,103,085	4,636,000	26
278,450	707,185	432,165	452,305	691,220	971,500	27
1,159,090	2,123,575	3,375,910	3,820,210	3,724,805	4,870,475	28
2,183,675	3,014,960	4,767,540	5,256,100	6,651,680	9,201,640	29
115,500	168,415	342,125	249,290	248,980	294,285	30
110,950	138,475	255,560	329,395	411,050	422,965	31
512,835	1,170,715	2,990,890	1,788,080	2,731,425	2,909,335	32
179,170	273,945	285,645	344,860	1,433,750	1,981,640	33
40,842,555	74,660,150	59,680,530	65,329,560	48,063,740	51,915,765	34
195,495	287,155	417,720	428,075	590,105	720,670	35
1,609,770	2,601,535	3,974,435	3,811,420	2,015,830	2,454,380	36
6,013,470	13,460,410	19,734,245	21,295,425	23,153,610	38,482,570	37
767,500	1,115,690	1,794,225	2,540,715	2,468,300	3,409,820	38
1,270,805	1,715,815	2,218,590	2,008,230	2,994,085	3,089,730	39
8,305,310	15,207,475	20,440,675	34,907,400	33,985,820	38,980,755	40
341,875	798,685	2,000,730	1,772,500	1,648,450	2,116,055	41
8,861,055	15,281,420	19,752,095	19,106,230	25,230,380	28,607,195	42
\$101,819,675	\$164,190,331	\$200,823,045	\$227,762,180	\$222,768,150	\$275,040,090	

TABLE

*Schedule Showing Imports of Partially Manufactured Articles Retained
piled from the Official Returns of the*

No.	ARTICLES.	1836.	1846.	1856.	1860.
1	Alkali and barilla	\$ 68,105		\$ 27,715	\$ 1,036,500
2	{ Copper regulus precipitate, and part wrought and un- wrought, }	Included	with copper ore in		Table No.
3	Cordage and twine, ...			395,300	1,068,170
4	Cotton yarn, ...			282,800	80,495
5	{ Flax, dressed, ton or cor- dilla of, }	Included	with undressed flax		in Table
6	{ Hemp, dressed, ton or cor- dilla of, }	Included	with undressed hemp		in Table
7	{ Iron, pig, bars, etc., un- wrought, }	910,240	1,423,085	3,385,565	2,835,245
8	Steel, unwrought, ...			54,365	215,135
9	Jute yarn, ...				
10	Lead, pig or sheet, ...	73,500	231,195	1,121,390	2,340,400
11	Leather, ...			1,684,450	1,725,065
12	Linen yarn, ...	157,775	43,675	18,630	57,325
13	Oil, seed and turpentine, ...				3,825,810
14	Oils, ...			14,598,115	14,110,330
15	Silk, thrown, ...		1,250,840	4,184,580	
16	{ Stones, rough and hewn, } not works of art, }				
17	Tin, blocks, bars, slabs, etc., ...			2,213,980	1,598,405
18	Wood, sawn and staves, ...			25,098,795	27,915,990
19	Woolen yarn, ...			518,670	2,351,400
20	Zinc, crude in cakes, ...			1,272,600	1,512,055
	Total, ...	\$1,209,620	\$2,948,795	\$54,856,955	\$60,672,325

No. 14.

*for Home Consumption by the United Kingdom from 1836 to 1890. Com-
Board of Trade of Great Britain.*

1865.	1870.	1875.	1880.	1885.	1890.	No.
\$ 1,158,080	\$ 732,215	\$ 623,680	\$ 342,555	\$ 215,125	\$ 106,495	1
15, }						2
1,772,575	1,991,540	1,868,305	1,401,860	1,625,490	2,220,095	3
8,835	142,875	674,625	2,248,380	2,336,630	2,193,095	4
No. 15, }						5
No. 15, }						6
2,373,565	2,378,990	4,073,540	2,764,515	2,617,015	1,958,925	7
448,060	284,925	374,595	92,100	173,510	235,590	8
.	312,555	271,960	782,895	1,448,100	456,480	9
3,314,750	4,969,530	8,657,300	7,405,385	5,886,825	9,468,835	10
2,342,155	4,774,175	15,231,580	15,645,840	23,125,585	24,280,375	11
349,810	228,180	1,005,470	1,336,320	1,141,815	3,408,035	12
4,389,565	3,644,800	4,925,535	4,483,250	3,559,115	5,759,055	13
21,156,925	22,788,545	24,993,155	21,335,295	22,955,480	16,317,605	14
.	2,578,175	75,560	1,219,290	935,875	2,211,830	15
.				2,444,230	3,149,735	16
1,716,805	2,305,845	5,439,140	4,827,315	5,688,200	5,693,785	17
37,758,200	40,524,200	47,494,715	55,106,025	50,046,345	57,875,320	18
4,983,105	8,137,405	7,321,135	9,134,575	9,831,715	8,577,470	19
2,060,235	1,674,430	2,510,065	2,881,660	4,053,620	6,117,320	20
\$83,832,665	\$97,468,385	\$125,540,360	\$131,007,260	\$138,084,675	\$150,030,045	

TABLE

*Schedule Showing Imports of Raw Materials Retained for
Compiled from the Official Returns of*

No.	ARTICLES.	1836.	1846.	1856.	1860.
1	Bones, ...	\$857,240	\$808,680	\$1,813,985	\$1,532,920
2	Brimstones, ...	1,637,320	2,008,410	1,796,685	2,440,755
3	Bristles, ...	180,620	209,510	1,738,565	1,630,680
4	Caoutchouc (rubber), ...			540,805	1,647,665
5	Copper ore regulus precipitate, wrought and unwrought, ...	302,430	581,185	11,610,165	15,333,565
6	Cork, ...	246,895	280,550	639,270	679,960
7	Cotton, ...		55,832,935	115,512,270	151,843,495
8	Drugs, ...				336,310
9	Dye stuffs used in tanning, ...			780,505	11,388,545
10	Dye wood, ...			2,120,945	2,771,600
11	Flax and hemp, dressed or undressed, ton or codilla of, ...	17,800,710	14,441,645	27,535,075	24,569,840
12	Gum, ...	1,124,765	1,458,640	714,720	1,010,030
13	Gutta percha, ...			260,335	774,370
14	Hair, not goats', ...		405,705	696,640	
15	Hair (goats') or wool, ...	219,195	215,110	1,548,825	2,081,945
16	Hides, ...	4,517,155	6,678,690	10,662,130	11,781,435
17	Horns and hoops, ...			426,190	497,450
18	Iron ore, ...				128,205
19	Isinglass, ...	115,840	109,015	184,090	400,145
20	Jutes, ...			3,028,275	3,157,750
21	Nitre, ...			1,268,165	2,276,065
22	Pyrite of iron and copper, ...				
23	Quicksilver, ...				275,920
24	Rags for paper, ...	259,140	247,200	1,137,885	1,576,480
25	Rosin, ...			1,220,325	859,610
26	Saltpetre, ...			2,531,540	3,027,995
27	Seeds, ...	2,520,595	3,431,025	24,342,670	22,363,795
28	Silks, ...	9,278,195	8,118,185	30,809,790	32,530,600
29	Skins, furs and pelts, ...	90,685	1,304,270	5,202,040	1,880,540
30	Tallow and stearine, ...	5,826,315	5,527,185	13,230,780	20,060,550
31	Tin, ...	1,920,875		126,315	219,050
32	Wax, ...	235,685	242,815	294,390	437,615
33	Whalefins, ...	4,984,520	360,090	529,205	298,930
34	Wood and timber, ...	66,753,265	5,794,310	23,055,275	24,140,705
35	Wool, ...	8,746,920	7,818,845	33,575,485	43,718,700
36	Manure, ...			8,926,350	8,296,295
	Total, ...	\$127,618,365	\$115,874,000	\$327,859,690	\$395,969,515

No. 15.

*Home Consumption by the United Kingdom from 1836 to 1890.
the Board of Trade of Great Britain.*

1865.	1870.	1875.	1880.	1885.	1890.	No.
\$2,144,885	\$3,146,040	\$3,514,475	\$2,614,580	\$2,162,745	\$2,247,630	1
1,746,385	1,903,315	1,894,245	1,216,880	766,650	505,235	2
1,528,370	1,754,405	2,009,520	1,426,225	1,807,525	1,872,115	3
1,684,500	5,324,445	4,758,200	6,620,860	5,091,105	7,763,950	4
19,037,235	15,297,715	21,156,725	20,727,325	23,509,575	28,877,595	5
892,080	737,475	737,525	729,485	948,325	1,060,715	6
236,035,710	226,986,285	198,397,180	186,533,685	160,045,465	190,030,410	7
376,825	3,768,670	2,270,650	4,471,985	4,249,500	2,968,330	8
8,795,220	19,527,915	16,349,125	15,432,060	15,084,445	17,352,595	9
899,100	1,973,150	2,678,085	2,825,610	2,414,245	2,510,275	10
33,719,765	38,994,680	31,829,770	27,490,225	24,018,965	22,813,560	11
1,480,390	2,450,020	3,073,425	2,448,160	3,258,030	1,834,840	12
757,140	2,402,245	650,865	2,198,390	1,382,385	3,402,380	13
				925,190		14
4,158,430	2,667,155	4,263,545	6,114,845	3,378,415	2,120,160	15
11,519,925	13,090,935	14,003,545	12,077,715	10,091,210	7,826,750	16
298,255	751,355	429,605	475,145	597,040	458,345	17
590,665	1,335,100	2,900,470	13,940,375	9,785,115	17,843,625	18
364,525	395,005	371,320	409,245	347,445	405,540	19
7,115,955	9,550,335	8,886,830	15,413,175	10,231,155	16,638,545	20
3,181,340	3,935,405	9,733,605	2,749,915	5,378,715	4,357,275	21
2,548,865	5,475,755	7,023,385	7,612,960	6,257,945	6,082,775	22
322,735		1,368,755	1,224,030	198,755	46,455	23
3,156,375	5,647,560	7,339,010	9,960,930	9,585,500	10,504,805	24
2,227,435	1,780,520	1,864,935	1,630,970	1,522,525	1,820,270	25
1,777,035	1,668,825	1,231,815	1,423,610	1,207,840	1,288,230	26
28,050,995	32,644,040	40,129,605	35,535,670	38,999,900	31,715,855	27
30,270,440	23,836,350	7,912,605	11,945,295	6,077,800	6,096,610	28
1,062,650	5,592,670	7,310,430	10,514,945	8,136,575	8,118,885	29
15,316,840	16,113,760	9,628,660	9,663,085	6,754,675	5,404,470	30
191,700	107,820	94,220	18,740	133,480		31
326,470	206,370	206,835	581,025	562,735	338,540	32
213,485	352,630	164,900	264,260	519,730	642,320	33
27,431,340	22,680,835	23,239,545	25,527,310	22,322,685	29,881,460	34
45,206,740	51,248,370	56,666,830	59,910,520	35,825,950	63,433,380	35
14,914,190	20,484,300	9,509,180	6,397,100	6,271,955	7,151,020	36
\$509,343,995	\$543,831,455	\$503,599,420	\$508,126,335	\$429,851,295	\$505,414,945	

TABLE

*Schedule Showing Imports of Food Products Retained for
Compiled from the Official Returns of*

No.	ARTICLES.	1836.	1846.	1856.	1860.
1	Fruit, ...	.	.	\$3,731,940	\$6,781,010
2	Ice, ...	.	.	26,980	68,605
3	Nuts and kernels, ...	.	.	96,245	121,440
4	Rice, cleaned or in the husks, ...	\$448,540	\$1,416,290	7,226,645	1,184,080
5	Sago and sago flour, ...	174,625	270,240	839,090	680,180
6	Spices—Cinnamon, ...	89,875	.	27,305	32,320
7	Ginger, ...	.	125,060	49,680	220,645
8	Pepper, ...	296,225	.	610,900	326,890
9	Unenumerated, ...	185,430	115,885	404,330	215,890
10	Molasses, ...	1,743,290	1,760,710	3,555,445	1,734,755
11	Sugar, unrefined, ...	26,652,735	35,017,220	51,615,550	57,311,830
	Total, ...	\$29,590,720	\$38,705,405	\$68,184,110	\$68,677,645

TABLE

Dutiable Articles Retained for Home Consumption

No.	ARTICLES.	1836.	1846.	1856.	1860.
1	Beer and ale, ...	.	.	.	\$119,990
2	Cards, playing, ...	.	.	.	1,930
3	Soap, transparent, ...	.	.	.	.
4	Chicory, ...	.	.	\$203,740	120,025
5	Chloroform, ...	.	.	.	10
6	Chloral hydrate, ...	.	.	.	.
7	Cocoa, ...	.	.	.	1,015,790
8	Cocoa, husks and shells, ground, manufactured, ...	\$256,625	\$199,190	288,990	.
9	Coffee, ...	7,089,825	12,490,295	3,929,480	5,516,090
10	Collodi, ...	.	.	.	.
11	Ether, ...	.	.	.	.
12	Fruits, ...	1,364,690	2,697,710	6,619,775	4,962,975
13	Naphtha, ...	.	.	.	.
14	Spirits, ...	.	880,315	4,633,410	6,974,550
15	Tea, ...	20,571,425	24,103,103	24,517,125	31,282,945
16	Tobacco, unmanufactured, ...	.	.	7,712,305	6,284,115
17	Tobacco, manufactured ci- gars, other sorts, includ- ing snuff, ...	.	1,235,685	189,525	643,975
18	Wine, ...	2,189,860	2,613,240	13,908,160	17,200,995
	Total, ...	\$31,472,425	\$44,219,538	\$62,002,510	\$74,123,390

No. 16.

*Home Consumption by the United Kingdom from 1836 to 1890.
the Board of Trade of Great Britain.*

1865.	1870.	1875.	1880.	1885.	1890.	No.
\$8,165,680	\$9,054,130	\$16,140,470	\$17,456,010	\$20,309,880	\$26,138,590	1
173,890	406,020	761,885	707,530	1,077,430	1,373,315	2
129,955	741,595	1,803,800	2,037,695	1,445,230		3
1,931,495	5,673,990	6,071,790	8,486,475	3,599,820	6,079,440	4
549,415	935,115	1,209,230	1,358,560	820,760		5
17,125	387,630	82,770	104,760	10,760	18,385	6
284,695	133,755	514,190	386,965	780,860	316,155	7
320,400	775,405	945,850	811,430	1,393,535	1,171,595	8
95,955	422,470	466,720	1,228,410	295,545	913,400	9
2,037,815	1,787,670	1,791,190	313,180	2,237,425	2,894,705	10
53,644,240	70,071,560	83,157,895	90,417,600	65,874,685	47,355,225	11
\$67,350,665	\$90,389,340	\$112,945,790	\$123,308,615	\$97,845,930	\$86,260,810	

No. 17.

by the United Kingdom for same years as above.

1865.	1870.	1875.	1880.	1885.	1890.	No.
\$101,520	\$118,865	\$117,495	\$159,905	\$287,640	¹ \$287,640	1
.....	1,310	.....	3,695	10,150	10,150	2
.....	.....	.....	.....	4,865	¹ 4,865	3
148,820	154,560	219,935	309,130	249,905	250,465	4
110	415	205	.....	175	.....	5
.....	.....	.....	.....	20,625	.....	6
668,890	1,303,250	.....	.....	.....	3,232,150	7
.....	.....	945,330	2,664,800	2,659,015	.....	8
6,756,765	5,032,505	9,114,680	8,013,420	4,405,595	5,583,810	9
.....	.....	.....	.....	.....	.....	10
180	795	.....	.....	.....	.....	11
5,986,545	5,356,610	10,501,780	6,945,205	11,628,225	10,480,600	12
.....	.....	.....	.....	.....	.....	13
5,314,625	13,927,645	11,734,445	7,265,500	7,696,480	9,156,345	14
36,625,040	39,579,490	56,057,275	44,049,150	42,076,075	40,887,830	15
11,062,700	6,436,205	6,356,760	7,691,330	11,951,965	9,370,015	16
2,014,625	1,656,155	4,809,880	4,558,910	5,184,180	5,749,950	17
16,470,810	21,754,990	29,929,015	29,254,605	22,926,925	26,374,465	18
\$85,150,630	\$95,322,795	\$129,786,800	\$110,915,650	\$109,101,520	\$111,388,285	

¹ Carried forward from 1885.

TABLE No. 18.

*Schedule Showing the Exports of Domestic Productions of Textile Fabrics
Compiled from the Board of Trade*

No.		1860. 1861. 1862.	1863. 1864. 1865.	1866. 1867. 1868.	1869. 1870. 1871.
<i>Cotton Manufacture:</i>					
1	Piece goods, white or plain, ...	\$100,169,926	\$126,306,158	\$166,414,968	\$162,481,950
2	Printed, checked or dyed, ...	72,657,573	80,839,045	100,696,901	96,697,461
3	Of mixed materials, ...	2,228,321	3,567,078	1,715,595	2,326,223
4	Stockings and socks, ...	1,320,886	1,226,908	1,927,983	1,515,960
5	Lace, patent net, ...	1,915,628	2,138,403	2,471,421	4,068,033
6	Hosiery and small wares, ...	1,320,886	1,226,908	4,384,718	1,515,960
7	Thread for sewing, ...	3,241,861	3,823,988	5,496,175	5,972,836
8	Of all sorts, ...	928,190	1,282,401	1	4,633,112
9	Total of cotton manufacture, ...	\$183,783,271	\$220,410,889	\$283,107,762	\$279,211,535
<i>Linen Manufacture:</i>					
10	Piece goods, white or plain, ...	\$19,164,431	\$32,144,666	\$34,311,166	\$31,118,290
11	Checked, printed or dyed, ...	914,780	2,769,961	2,231,278	1,668,211
12	Sail cloth, ...	1,0423,53	1,903,475	1,378,041	988,690
13	Thread for sewing, ...				
14	Of other sorts, ...	1,863,535	2,913,191	2,293,680	2,145,311
15	Total linen manufacture, ...	\$22,985,099	\$39,731,292	\$40,214,165	\$35,920,502
<i>Jute Manufacture:</i>					
16	Jute manufacture, ...	\$650,450	\$1,519,471	\$2,540,365	\$4,265,361
<i>Silk Manufacture:</i>					
17	Broad piece goods, ...		\$2,623,893	\$2,773,551	\$3,603,525
18	{ Handkerchiefs and shawls, } { Ribbon, } { Of other sorts, }	\$7,078,265	4,519,710	2,935,855	4,085,810
19	Total silk manufacture, ...	\$7,078,265	\$7,143,603	\$5,709,406	\$7,689,335
<i>Woolen and Worsted Manufacture:</i>					
20	{ Cloths, coatings, etc., mixed and } { unimixed, }	\$17,366,130	\$20,870,638	\$23,986,563	\$24,313,433
21	Flannels, ...	5,447,055	6,868,183	4,975,000	5,347,640
22	Blankets, ...				
23	Stuffs, mixed and unimixed, ...	31,693,663	54,163,341	64,191,383	78,120,578
24	Carpets and druggets, ...	3,078,728	4,222,891	5,699,250	7,514,080
25	Of all other sorts, ...	3,163,993	4,259,196	3,761,946	3,898,553
26	{ Total woolen and worsted manu- } { facture, }	\$ 60,749,569	\$90,384,249	\$102,614,142	\$119,194,284
	Total textile fabrics, ...	\$275,246,654	\$359,189,504	\$435,185,840	\$446,281,017

EXPORTS.

*from the United Kingdom, in Averages of Three Years, from 1860 to 1892.
Returns of the United Kingdom.*

1872. 1873. 1874.	1875. 1876. 1877.	1878. 1879. 1880.	1881. 1882. 1883.	1884. 1885. 1886.	1887. 1888. 1889.	1890. 1891. 1892.	No.
\$173,095,305 107,573,616 3,392,811 1,995,195 5,442,988 1,995,195 7,433,233 6,830,157	\$160,865,096 97,690,208 2,190,638 1,857,055 5,372,473 1,857,055 9,112,825 5,210,357	\$155,296,466 97,013,541 2,119,291 1,937,591 7,597,843 1,937,591 9,706,596 5,137,284	\$174,650,870 105,120,521 3,696,728 2,746,908 13,016,398 8,617,680 11,804,221 .	\$157,755,825 92,391,786 42,638 2,626,781 11,988,460 8,500,888 12,383,590 .	\$165,599,568 93,901,351 21,068 2,133,451 10,164,006 11,264,336 14,754,450 .	\$161,563,805 97,354,460 10,532 1,545,373 10,000,365 11,979,917 15,187,492 .	1 2 3 4 5 6 7 8
\$307,558,500	\$284,155,707	\$280,746,203	\$319,653,326	\$285,689,968	\$297,838,230	\$297,641,943	9
\$32,205,003 1,303,548 1,291,510 1,581,100 1,365,746	\$24,779,491 2,320,325 1,105,690 1,675,023 1,332,801	\$22,761,703 1,082,970 932,120 1,679,513 1,616,896	\$23,347,315 1,015,978 873,373 1,661,335 1,859,558	\$19,013,885 1,024,505 899,036 1,692,996 3,036,765	\$19,042,650 1,351,675 803,410 1,786,238 4,987,061	\$17,418,608 1,592,923 732,707 1,622,040 5,147,498	10 11 12 13 14
\$37,746,907	\$31,213,330	\$28,073,202	\$28,757,009	\$25,667,187	\$27,971,034	\$26,513,777	15
\$7,928,500	\$7,517,768	\$9,679,261	\$12,091,926	\$10,286,133	\$11,448,848	\$12,871,403	16
\$3,000,943 7,117,203	\$3,187,318 5,536,410	\$4,353,740 5,064,295	\$6,159,190 6,646,316	\$6,116,726 4,493,183	\$7,415,951 5,080,408	\$4,432,802 4,949,398	17 18
\$10,118,146	\$8,723,728	\$9,418,035	\$12,805,506	\$10,609,909	\$12,496,359	\$9,382,200	19
\$33,722,625 5,854,510 78,451,028 8,325,081 7,870,260	\$33,115,698 5,718,166 46,711,555 4,866,025 5,598,565	\$31,909,335 4,622,416 36,009,818 4,628,661 5,919,115	\$37,688,225 4,836,668 37,095,728 6,250,341 6,150,478	\$40,133,601 2,145,115 2,506,246 40,186,090 6,132,568 6,766,310	\$49,379,016 2,613,653 2,707,300 33,883,361 6,346,326 8,257,885	\$53,460,673 2,083,998 2,690,198 22,837,897 5,269,897 8,276,887	20 21 22 23 24 25
\$134,223,504	\$96,010,009	\$83,089,345	\$92,021,440	\$97,869,930	\$103,187,541	\$94,619,550	26
\$497,775,557	\$427,620,542	\$411,006,046	\$465,329,757	\$430,123,127	\$452,942,012	\$441,028,873	

TABLE No. 19.

*Schedule Showing the Exports of Domestic Productions of Manufacturers of
Averages of Three Years
Compiled from the Board of Trade*

No.		1860. 1861. 1862.	1863. 1864. 1865.	1866. 1867. 1868.	1869. 1870. 1871.
	<i>Iron and Steel:</i>				
1	Iron—bar, angle, bolt and rod, ...	\$10,865,183	\$12,226,533	\$11,597,385	\$13,726,196
2	Railroad of all sorts, ...	15,221,658	16,889,921	22,841,565	40,132,235
3	Iron wire, ...	1,284,935	2,166,765	2,112,091	2,249,563
4	Iron, hoop, sheets and boiler plates, .	5,473,035	8,502,495	9,017,956	11,426,643
5	Iron, tinned plates, ...	6,035,706	6,756,695	10,082,450	12,613,861
6	Iron, cast or wrought, and all other manufactures, ...	13,806,828	15,195,265	14,935,201	16,800,866
7	Steel, unwrought, ...	4,270,195	4,346,735	5,333,121	5,571,785
8	Manufactures of steel, or of steel and iron combined, ...	1,799,765	2,242,451	2,368,763	3,027,460
9	Total manufactures of iron and steel, ...	\$58,757,305	\$68,326,870	\$78,288,532	\$105,548,609
	<i>Hardware and Cutlery:</i>				
10	Hardware and cutlery, ...	\$16,769,408	\$17,802,945	\$17,545,226	\$19,258,953
	<i>Copper Manufacture:</i>				
11	Copper, unwrought, ingots, cakes or slabs, ...	\$3,597,006	\$3,785,013	\$3,307,580	\$4,727,665
12	Mixed or yellow metal, ...	3,372,135	4,286,430	4,431,476	4,084,790
13	Of other sorts, ...	6,526,380	9,574,131	6,598,736	6,375,908
14	Total copper, ...	\$13,495,521	\$17,645,574	\$14,337,792	\$15,188,353
	<i>Miscellaneous Metal:</i>				
15	Fire-arms, ...	\$4,079,856	2,716,213	\$2,735,965	\$3,504,573
16	Gunpowder, ...	2,004,208	2,236,320	2,309,726	2,060,005
17	All others, ...	1,158,191	1,494,640	2,298,495	3,727,636
18	Clocks and watches, ...				
19	Carriages and wagons, railways, . . .	903,385	1,332,208	1,131,426	2,370,486
20	Implements and tools of industry, . .	1,324,070	1,403,950	1,297,558	1,580,573
21	Instruments and apparatus, surgical, anatomical and scientific, ...				
22	Plate and plated ware, ...	893,080	912,680	898,480	983,571
23	Telegraph wire, ...	1,311,750	1,140,595	1,434,433	8,427,966
24	Brass of all sorts, ...	979,210	1,180,361	1,076,748	1,369,001
25	Lead, pig, sheet and pipe, ...	2,648,596	3,274,298	3,326,128	4,628,280
26	Zinc, wrought and unwrought, ...	531,185	522,583	793,800	774,003
27	Total miscellaneous metal, ...	\$15,833,531	\$16,213,848	\$17,302,759	\$29,436,094
	<i>Earthen and China Ware:</i>				
28	Earthen and china ware, including manufacture of clay, ...	\$6,235,701	7,081,821	\$8,391,065	\$8,842,390
	<i>Glass Manufacture:</i>				
29	Glass—plate, rough or silvered, . . .	\$275,283	344,661	\$457,303	\$719,033
30	Glass—flint, ...	1,166,723	1,562,450	1,335,990	1,397,386
31	Glass—common bottles, ...	1,456,758	1,517,470	1,791,181	1,642,163
32	Glass—of other sorts, ...	246,916	352,715	413,711	569,908
33	Total glass manufacture, ...	\$3,145,680	\$3,777,296	\$3,998,185	\$4,328,490
	Grand total, ...	\$114,237,146	\$130,848,349	\$139,863,559	\$182,602,899

EXPORTS.

*Metals, Glass, Earthen and China Ware, from the United Kingdom, in
from 1860 to 1892.*

Returns of the United Kingdom.

1872. 1873. 1874.	1875. 1876. 1877.	1878. 1879. 1880.	1881. 1882. 1883.	1884. 1885. 1886.	1887. 1888. 1889.	1890. 1891. 1892.	No.
\$17,405,575 50,470,966 3,558,851 16,855,340 19,124,708	\$10,999,091 21,703,411 3,772,438 14,816,803 16,019,043	\$9,197,876 18,733,915 3,259,375 13,370,788 17,830,403	\$10,577,221 30,113,215 5,430,308 18,747,283 22,517,766	\$8,226,415 9,557,840 3,233,713 16,707,148 23,188,671	\$7,886,238 24,363,321 3,877,291 19,157,736 27,281,811	\$7,115,637 20,136,125 5,033,695 17,902,443 31,430,580	1 2 3 4 5
25,622,851 6,908,855	20,049,285 4,599,991	17,896,271 4,744,763	21,884,646 8,836,760	20,751,375 6,081,016	24,065,320 8,941,731	25,223,772 8,958,392	6 7
3,573,096	3,836,583	3,752,206	4,062,481	2,018,220	2,697,608	3,107,718	8
\$143,520,242	\$95,796,645	\$88,785,597	\$122,169,680	\$99,764,398	\$118,271,056	\$118,908,362	9
\$24,052,361	\$18,475,618	\$16,411,810	\$19,574,010	\$14,733,653	\$15,131,250	\$12,477,912	10
\$5,962,076 4,979,036 5,146,946	\$4,733,271 5,404,031 5,246,451	\$5,547,808 4,775,643 5,531,353	\$5,467,755 5,559,946 6,205,828	\$4,646,423 4,734,988 6,035,716	\$7,435,500 3,357,515 4,159,990	\$11,092,343 4,200,722 4,945,593	11 12 13
\$16,088,058	\$15,383,753	\$15,854,804	\$17,233,529	\$15,417,127	\$14,953,005	\$20,238,658	14
\$2,285,751 2,238,866 3,130,920 778,648 1,616,865 2,132,261	\$1,980,280 1,916,561 3,896,203 758,903 1,855,605 2,059,363	\$1,446,895 1,722,291 3,125,553 754,728 1,007,211 1,939,245	\$1,670,981 1,850,943 3,804,046 1,262,523 3,232,410 3,111,276	\$1,801,476 1,657,336 5,149,481 1,196,428 5,396,235 4,500,873	\$1,240,310 1,500,606 6,033,855 757,041 7,175,363 5,238,343	\$1,274,320 1,217,582 5,866,563 573,532 9,383,575 6,519,388	15 16 17 18 19 20
1,320,346 8,128,903 2,563,373 4,162,775 470,080	1,291,836 5,382,688 2,360,308 4,237,660 610,080	1,102,330 7,579,161 1,736,121 2,992,416 567,706	1,616,293 7,106,861 2,102,013 3,010,495 571,676	1,188,656 1,695,993 7,119,790 1,894,841 2,468,355 526,928	1,243,325 1,933,365 3,961,633 1,989,505 3,493,043 563,650	1,478,432 1,859,903 6,576,903 2,453,668 3,672,198 838,978	21 22 23 24 25 26
\$28,828,788	\$26,349,487	\$23,973,657	\$29,338,883	\$34,596,392	\$35,130,039	\$41,715,042	27
\$10,349,603	\$9,138,395	\$9,432,820	\$11,409,758	\$10,406,868	\$11,685,501	\$11,909,600	28
\$1,313,473 1,605,393 2,164,470 996,903	\$894,865 1,412,640 1,692,508 732,053	\$721,673 1,198,286 1,581,331 599,406	\$1,250,365 1,545,988 1,750,518 661,911	\$1,265,800 1,401,073 1,765,491 548,230	\$1,277,790 1,325,703 2,100,821 758,526	\$865,178 1,215,952 1,941,812 917,317	29 30 31 32
\$6,080,239	\$4,732,066	\$4,100,696	\$5,208,782	\$4,980,594	\$5,462,840	\$4,940,259	33
\$228,919,291	\$169,875,964	\$158,559,384	\$204,934,642	\$179,899,032	\$200,633,691	\$210,189,833	

TABLE NO. 20.

*Schedule Showing the Exports of Domestic Productions of Miscellaneous Manufactures
Compiled from the Board of Trade*

No.	ARTICLES.	1860. 1861. 1862.	1863 1864. 1865.	1866. 1867. 1868.	1869. 1870. 1871.
1	Alkali, ...	\$ 4,093,118	\$ 4,844,450	\$ 7,896,076	\$ 7,687,370
2	Apparel, ...	11,471,976	13,378,996	12,318,146	12,175,118
3	Bags, empty, ...	1,649,833	3,334,991	3,822,261	5,111,068
4	Books, printed, ...	2,259,010	2,391,170	3,160,771	3,377,260
5	Candles, of all sorts, ...	1,423,756	844,178	1,097,555	825,206
6	Caoutchouc, manufacture of, ...				
7	Cement, ...	1,039,881	1,406,530	1,492,695	1,935,148
8	Cordage and twine, ...	1,434,735	2,120,273	1,767,750	1,750,141
9	Furniture and cabinet and upholstery, ...	1,284,856	1,429,660	1,088,381	1,232,486
10	Grindstones and millstones, ...				
11	Other sorts of stones, ...				
12	Stones and slates, slate by tile, ...				
13	Haberdashery and millinery, ...	18,353,745	23,646,585	23,845,708	25,499,928
14	Hats of all sorts, ...	11,779,698	2,318,593	2,458,891	2,845,815
15	Leather, wrought, boots and shoes, ...	7,618,968	7,253,908	5,582,163	6,648,310
16	Leather, of other sorts, ...	1,615,771	2,699,383	2,552,685	3,599,610
17	Musical instruments, ...				
18	Medicines, ...				
19	Oil and floor cloth, ...				
20	Painters' colors, ...	3,032,510	3,140,663	3,973,928	4,623,518
21	Paper other than hangings, ...	2,247,778	2,685,198	2,988,441	3,000,875
22	Pictures, ...				
23	Salt, ...	1,745,441	1,396,311	2,159,125	2,133,460
24	Skins and furs, British, ...				
25	Foreign, British dressed, ...				
26	Soap, ...	1,181,323	1,119,180	1,313,133	1,120,121
27	Stationery, other than paper, ...	1,468,761	1,846,240	1,964,658	2,530,751
28	Sugar, refined, ...	1,860,283	1,590,193	1,710,848	4,539,288
29	Umbrellas and parasols, ...				
30	{ Wood and timber, manufactured, staves and empty casks, Of other sorts, }				
	Total, ...	\$65,561,443	\$77,446,502	\$81,193,216	\$90,635,473

EXPORTS.

*tures from the United Kingdom in Averages of Three Years, from 1860 to 1892.
Returns of the United Kingdom.*

1872. 1873. 1874.	1875. 1876. 1877.	1878. 1879. 1880.	1881. 1882. 1883.	1884. 1885. 1886.	1887. 1888. 1889.	1890. 1891. 1892.	No.
\$13,390,051	\$11,199,940	\$10,637,903	\$10,470,970	\$9,722,461	\$8,257,438	\$10,906,694	1
16,251,191	14,969,086	15,995,763	19,191,638	19,999,740	22,640,680	25,056,198	2
8,816,968	6,657,745	7,411,536	6,370,320	4,155,465	3,732,638	2,849,592	3
4,504,253	4,493,220	4,696,208	5,740,611	5,717,933	6,193,895	6,671,483	4
1,051,740	875,505	748,740	700,806	1,025,311	1,017,611	1,533,500	5
4,738,470	3,995,870	3,831,435	5,015,110	4,811,001	5,565,228	6,134,168	6
3,155,750	3,083,466	3,029,701	4,139,111	4,240,111	5,632,375	5,542,617	7
1,873,406	1,446,938	1,493,806	1,998,836	1,985,046	2,180,931	2,347,807	8
1,798,673	1,953,666	2,243,025	3,441,765	3,331,855	3,625,620	2,956,725	9
.	.	.	.	.	.	.	10
.	.	.	445,763	510,486	781,068	866,702	11
.	.	.	1,091,970	1,203,260	1,263,433	1,338,857	12
32,297,573	20,835,493	18,871,696	20,548,743	12,092,180	11,535,553	9,784,720	13
4,455,516	5,256,183	5,008,105	5,962,505	5,582,928	6,197,710	6,272,168	14
7,962,393	7,096,366	6,515,408	8,312,965	7,921,628	8,896,650	9,179,062	15
3,928,899	3,754,634	3,742,568	4,497,663	3,463,585	4,330,578	3,600,234	16
1,075,516	1,099,216	938,780	1,176,918	1,157,176	974,761	1,011,363	17
3,451,360	3,386,363	3,961,613	4,661,178	4,250,203	4,621,086	5,211,743	18
1,501,915	1,746,430	1,950,266	2,662,518	3,225,640	3,751,363	3,883,862	19
5,470,373	5,806,788	5,548,748	6,370,010	6,304,785	7,257,420	7,866,582	20
4,540,170	4,499,593	4,911,300	6,388,081	6,930,855	7,683,091	7,508,987	21
883,130	1,508,621	1,313,735	1,432,963	1,443,383	1,339,056	1,624,828	22
3,307,696	2,789,806	2,764,460	2,999,270	3,119,876	2,582,148	2,980,568	23
3,571,663	3,035,491	3,620,693	4,003,496	2,434,396	2,355,155	2,703,530	24
1,311,198	1,360,868	3,139,285	3,970,433	2,562,085	2,455,575	3,570,702	25
1,375,131	1,648,855	2,130,280	2,176,533	2,444,651	2,396,846	2,891,688	26
3,370,275	3,339,523	3,395,726	4,271,451	4,257,273	4,508,886	4,585,400	27
5,469,830	6,759,078	5,503,601	5,886,045	4,133,675	2,648,283	2,852,678	28
1,769,738	1,664,036	2,026,755	2,470,110	2,693,801	3,137,986	2,966,725	29
.	.	.	2,152,231	1,990,623	2,375,178	2,367,238	30
\$141,322,878	\$124,262,781	\$125,397,796	\$148,550,013	\$132,711,412	\$139,918,242	\$146,997,755	

TABLE NO. 21.

*Schedule Showing the Exports of Domestic Productions of Partly Manufactured Years, from
Compiled from the Board of Trade*

No.		1860. 1861. 1862.	1863. 1864. 1865.	1866. 1867. 1868.	1869. 1870. 1871.
	<i>Bleaching and Raw Materials:</i>				
1	Bleaching materials,				
2	Chemical products and dye stuffs, . .	\$3,656,303	\$3,124,763	\$4,876,170	\$6,601,368
3	Clay, unmanufactured, ...				
4	Coal, including cinders and fuel, . .	18,037,536	20,782,930	26,908,941	28,416,953
5	Products of coal (except dyes), . . .				
6	Cotton yarn, ...	42,276,460	45,815,173	72,120,238	73,046,313
7	Leather, ...	1,950,665	2,053,146	2,406,786	4,588,165
8	Linen yarn, ...	8,793,231	13,429,490	11,886,700	11,312,848
9	Jute yarn, ...	453,195	585,436	619,628	975,355
10	Machinery, steam engines, ...	6,868,955	8,617,810	9,185,778	9,855,510
11	Of other sorts, ...	13,371,318	15,447,585	14,909,356	17,441,550
12	Metals: Iron, old, for re-manufacture,	252,018	140,223	1,058,220	2,769,351
13	Metals: Iron, pig and puddled, . . .	5,370,016	7,166,351	7,950,540	12,522,543
14	Metals: Tin, unwrought, ...	1,963,500	2,479,673	1,905,355	3,310,010
15	Oil seed, ...	5,323,553	6,348,885	6,343,116	6,838,031
16	Rag, and other materials for paper, .				
17	Silk, thrown and twisted and yarn, .	4,734,836	4,054,183	4,354,651	5,957,021
18	Yarn, alpaca and mohair, and other sorts unenumerated, ...				
19	Wool, sheep's and lambs', ...	4,627,916	3,772,343	4,012,041	3,885,880
20	Wool, flocks and ragwool, ...				
21	Wool, foreign, dressed in the United Kingdom, ...				
22	Wool noils, ...				
23	Wool waste, ...				
24	Wool, combed or carded, and tops, .				
25	Woolen and worsted yarn, ...	17,610,551	25,273,493	27,482,595	27,722,123
	Total, ...	\$135,290,053	\$159,091,484	\$196,020,115	\$215,243,021

TABLE NO. 22.

*Schedule Showing the Exports of Miscellaneous Domestic Products from
Compiled from the Board of Trade*

No.		1860. 1861. 1862.	1863. 1864. 1865.	1866. 1867. 1868.	1869. 1870. 1871.
	<i>Food Products:</i>				
1	Animals and horses, ...	\$1,184,670	\$1,143,538	\$908,818	\$1,107,425
2	Beer and ale, ...	8,125,005	9,414,751	9,729,310	9,380,203
3	Biscuit and bread, ...				
4	Butter, ...	2,464,630	1,886,675	1,499,350	1,522,705
5	Cheese, ...	629,018	693,136	660,198	527,211
6	Corn: Wheat, ...	1,745,350	251,515	883,970	4,570,591
7	Corn: Wheat flour, ...	202,350	62,831	88,278	1,197,340
8	Corn: Other kinds, ...	1,109,666	1,345,596	1,868,226	2,495,836
9	Fish and herrings, ...	2,799,671	2,524,353	3,157,783	3,690,428
10	Grease, tallow and animal fat, . . .				
11	Manure, ...				
12	Pickles, vinegar and sauce, ...	1,460,968	1,973,986	2,137,033	2,334,670
13	Provisions not otherwise described, .	2,689,116	3,085,141	2,983,086	3,786,480
14	Seeds of all sorts, ...				
15	Spirits, ...	2,128,225	2,001,183	804,875	989,690
	Total, ...	\$24,538,669	\$24,382,705	\$24,720,927	\$31,602,579

EXPORTS.

Articles, Machinery and Coal, from the United Kingdom, in Averages of Three 1860 to 1892.

Returns of the United Kingdom.

1872. 1873. 1874.	1875. 1876. 1877.	1878. 1879. 1880.	1881. 1882. 1883.	1884. 1885. 1886.	1887. 1888. 1889.	1890. 1891. 1892.	No.
\$1,823,271	\$1,671,156	\$1,722,125	\$1,964,845	\$2,785,675	\$2,952,758	\$2,711,900	1
9,602,468	10,092,686	10,523,388	11,511,156	10,024,396	12,279,578	14,677,697	2
			971,540	948,305	1,194,915	1,448,273	3
59,359,085	44,011,728	38,183,676	48,327,475	52,202,698	60,495,466	91,210,175	4
1,960,705	2,351,955	2,386,111	3,941,453	4,247,568	4,571,391	7,194,773	5
78,517,151	63,579,245	61,709,900	65,899,166	61,942,935	57,914,271	55,353,343	6
5,982,088	6,453,518	6,395,615	7,579,018	7,902,003	6,748,600	6,662,832	7
9,706,885	7,661,543	5,445,516	5,255,150	5,095,833	4,460,681	4,425,935	8
1,189,240	1,116,788	1,024,020	1,325,841	1,436,446	1,516,460	1,690,455	9
14,630,496	10,982,190	12,320,815	18,367,110	18,193,551	16,786,573	19,307,577	10
32,056,095	27,337,711	27,746,985	40,508,786	38,968,401	48,828,485	57,551,643	11
2,168,608	499,336	3,483,913	2,222,005	1,455,578	2,761,518	1,973,680	12
29,173,916	14,701,675	18,065,350	21,907,361	12,154,226	13,219,271	12,798,133	13
4,079,816	2,196,158	2,101,301	2,606,853	2,256,121	2,937,316	2,564,883	14
7,565,510	9,228,705	8,247,688	7,922,323	7,671,845	7,753,586	7,262,595	15
1,963,858	1,659,118	2,381,185	2,654,775	2,279,960	2,311,733	1,936,137	16
7,657,971	4,221,000	3,239,320	4,232,781	2,376,351	2,229,351	2,194,825	17
			4,265,591	6,287,600	5,373,936	5,877,588	18
3,617,563	3,986,176	4,460,356	4,668,848	4,487,501	4,839,336	3,653,127	19
			2,331,671	1,589,205	2,069,845	1,841,893	20
			1,316,213	2,829,496	5,328,268		21
						3,276,850	22
						584,275	23
						2,852,322	24
28,436,985	21,876,673	18,278,820	16,484,715	21,140,248	20,605,183	20,094,812	25
\$299,491,711	\$233,627,361	\$227,716,085	\$276,264,670	\$268,275,942	\$287,222,189	\$335,025,978	

EXPORTS.

the United Kingdom, in Averages of Three Years, from 1860 to 1892.

Returns of the United Kingdom.

1872. 1873. 1874.	1875. 1876. 1877.	1878. 1879. 1880.	1881. 1882. 1883.	1884. 1885. 1886.	1887. 1888. 1889.	1890. 1891. 1892.	No.
\$938,045	\$1,042,831	\$1,351,940	\$1,997,023	\$1,978,943	\$3,967,196	\$2,960,628	1
11,549,141	9,865,071	8,749,213	9,027,818	8,116,801	8,736,123	8,701,565	2
1,655,680	1,957,983	2,522,450	3,096,631	2,673,225	2,803,803	3,095,650	3
1,384,143	1,164,588	1,133,868	1,061,821	905,398	747,070	575,977	4
408,346	380,118	286,305	292,483	273,030	261,138	232,027	5
2,218,203	720,981	1,776,223	608,358	147,551	170,493	281,360	6
272,433	109,411	250,505	337,858	316,335	487,956	607,113	7
1,514,353	1,654,723	1,480,496	1,762,861	1,335,283	1,249,085	1,288,803	8
5,225,656	4,575,710	5,690,321	6,715,448	7,386,776	5,649,315	6,243,853	9
			1,774,485	1,882,060	2,269,978	2,841,847	10
3,324,123	4,205,865	5,097,618	10,041,160	9,071,995	9,233,540	10,536,390	11
3,039,528	3,093,743	3,323,971	5,646,460	6,429,918	6,469,870	6,800,467	12
3,792,480	3,635,146	4,723,298	4,914,521	4,455,996	4,824,053	4,292,280	13
			1,406,931	1,023,178	1,049,418	1,265,945	14
982,696	1,610,618	2,318,700	3,931,263	4,307,476	5,676,671	6,564,768	15
\$36,314,827	\$34,016,788	\$37,704,908	\$52,615,121	\$50,303,965	\$53,615,709	\$56,289,007	

PART V.

PROTECTION TO NATIVE INDUSTRIES IN THE CONTINENTAL AND OTHER COUNTRIES.

CHAPTER I.

PROTECTION IN THE GERMAN EMPIRE.

One thing is clear, that, through the widely open doors of its import trade the German market has become the mere storage-space for the over-production of other countries. We must, therefore, shut our gates and take care that the German market, which is now being monopolized by foreign wares, shall be reserved for native industry. Countries which are enclosed have become great, and those which have remained open have fallen behind. Were the perils of protectionism really so great as sometimes painted, France would long ago have been ruined, instead of which she was more prosperous after paying the five milliards than Germany is to-day. And protectionist Russia, too—look at her marvelous prosperity! . . . The question before us is not a political, but a financial one, and we should put all personal sensibility aside.—*Prince Bismarck, speech before the Reichstag, May 2, 1879.*

The German Empire was organized in 1871, by a political union of Prussia and the German States of Central Europe. By the census of 1890 it had a population of 49,428,470. The area of the Empire is 212,000 square miles. It is larger than all of New England, New York, Pennsylvania, New Jersey and Ohio combined.

Population
and area.

Encourage-
ment of the
home trade.

"Germany," says Frederick List, "owes her first progress in manufactures to the revocation of the Edict of Nantes and to the numerous refugees who brought with them the manufactures of woolens, silks, glass, china, gloves, jewelry and many other articles." The Protestant refugees who were driven out of France and Belgium by the religious persecutions of Louis XIV. and the King of Spain, fled not only to England but to various parts of the Continent. In Prussia they were welcomed by the government, and encouraged to set up their industries and given the patronage and support of the king. It was not alone their coming but the conditions under which they remained that made the settlement of these refugee artisans an important event in the commercial history of these countries.

The foundations for the present economic policy of the German Empire were laid by Frederick the Great, King of Prussia, in the latter part of the eighteenth century. From 1746 to 1786 Prussia was raised by the military genius and statesmanship of this great ruler, to one of the first places among the nations of the time. The economic policy pursued by Frederick the Great, embraced all the features of the mercantile system, duties were levied on imports, premiums and bounties were given to encourage exports and special privileges were granted to individuals to encourage and promote manufacturing. After his wars of conquest were brought to a close, he turned his attention to the improvement of industries and the amelioration of the condition of the rural population. The landed proprietors, and especially those of Silesia, who had been ruined by the wars, were given assistance in the way of loans from a bank established in 1769, by which they were enabled to provide themselves with agricultural implements, purchase stock and repair their lost fortunes. "The success of this bank," says Mr. Macgregor, "having surpassed all calculations, the inhabitants of other provinces solicited and obtained similar institutions of credit to that of Silesia."

Banks were also established for Brandenburg, Pomerania, Western Prussia, Eastern Prussia and the Grand Duchy of Posen. To encourage industry, develop the resources of the country and direct the labor of his people into various new and profitable occupations, were the chief purposes Frederick had in view. His economic policy differed from that which generally prevailed throughout Germany and in many parts of Europe, in that the import duties and taxes were not imposed for the purpose of revenue so much as to foster and encourage industry.

Another writer gives the following description of the economic policy advocated and practiced by Prussian sovereigns:

From the earliest times the electors of Brandenburg devoted especial attention to the economic welfare of their people. This is particularly true of the great elector whose wise policy in offering an asylum to the Huguenots greatly promoted industrial prosperity. Frederick the Great was another German sovereign who bestowed much care on the economic condition of his subjects. By all available means he promoted agriculture and fostered trade with most successful results.

It was just as the benefits of this policy began to appear in the improved and thriving condition of the Prussians that all Europe became involved in the Napoleonic wars, which continued until 1815. It can scarcely be said that the policy pursued by the German States is worthy to be called an economic policy. The numerous small States controlled by despotic forms of government perpetuating the system of feudalism, maintaining their royal household at a great expense, living in constant jealousy and perpetual strife, subjected trade and commerce to a system of taxation through tolls and duties, which having for its purpose more the raising of revenue for the royal treasuries than the encouragement

*Early
economic
policy of
the German
States.*

*Industrial
condition at
the close
of the
Napoleonic
wars.*

of industry, gave little opportunity to improvement in industrial pursuits; although in certain localities, such as in the kingdom of Saxony, owing to the settlement of the Huguenots, manufacturing had gained a foothold and made considerable progress. Yet, in the main, the German States, up to the Napoleonic wars, were almost exclusively agricultural regions. Beyond that system of domestic production carried on in the households, and the occupations of smiths and mechanics, and small seats of manufacturing, the fabrication of cloth and working of metals, were carried on to only a small extent.

The effect of the Napoleonic wars on the industrial and commercial life of the German States and Prussia was most ruinous. Lying between France, Austria and the Russian frontier, they became the battle-ground during this great struggle, for the contending hosts of Napoleon, Russia and Austria. Through the Continental policy of Napoleon their markets were open to the competition of French goods, while they were compelled to pay tribute to the support of French armies and subjected to the most oppressive and burdensome taxation. Mr. Yeats, after speaking of the industrial depression during these wars, points out that on the final overthrow of Napoleon a busy traffic at once began, but the German producer was seriously impeded by the presence of strong rivals in his former markets.

British manufactures, which had improved in quality and diminished in cost, were the chief source of alarm to the forced manufactures of Germany. English cotton goods, in particular, gave no chance to those of the Germans, but the German woolens were of such good quality that they were better able to withstand competition. Manufactures of metals were wholly unable to hold their own against the influx of hardware and metals from England and Belgium.

In the war Prussia had been the chief sufferer, and after the peace her industry was benefited more than that of any other State. There had been no embargo under the French rule upon inland intercourse, and France, commanding the trade of every state, had suffered comparatively little; the embargo was solely upon the ports. The problem for statesmen at this juncture was what policy to pursue to keep up the prosperity of their respective countries in the presence of industries sinking and dying, through the superior facilities of production enjoyed by England.¹

*Danger
from
British
competi-
tion.*

Henry C. Carey (in a passage already quoted), speaks of the Continental system of Napoleon as marking "the commencement of the forward progress of every kind of manufacture in Germany." The exclusion of British competition at the close of the war, taking into consideration her pre-eminence in manufacturing and her ability to destroy rival industries on the Continent, was made necessary in order that the home trade of the German States might be preserved and that their industries might live. Mr. Yeats confirms the view taken by protectionist writers, of the effect of British competition on the industries of the country at the close of the

¹ Recent and Existing Commerce, pp. 216, 217, 218.

war. He concedes that the produce of Germany had been superseded by foreign-made wares and that they had been driven not only out of their home trade, but out of foreign trade as well. Their business relations had been broken up. Although he suggests that notwithstanding that England had monopolized and taken possession of their home market and driven them out of every quarter where they had hitherto traded, yet that Cuba, Hayti, Brazil and the Spanish Republics of South America were left open to them; that is, they had been robbed of their own market, the best which they could possess, and were now offered the markets named. This will remind the reader of the encouragement which free traders to-day are giving American manufacturers in capturing the market of Africa, after surrendering the markets of the United States to British manufacturers.

This was the situation which confronted Prussia and the German States after the battle of Waterloo. The superior machinery, abundant capital and vast wealth of England had given her such pre-eminence and such advantages in production, that every effort at building up rival industries in Central Europe under free competition could be suppressed. They must either consent to confine themselves to rural pursuits and the production of a few raw materials and remain poor, or resort to the only measure through which such competition could be resisted and the life of their own industries preserved. Free trade would not only keep them poor in industries, but would constantly drain their country of precious metals and prevent that accumulation of wealth through which the devastation of the war could be repaired and their political and commercial greatness secured.

"The balance of trade," says Yeats, "against Germany during the French revolutionary period was considerable. From England alone the imports of the year 1795-97 were at the mean rate of £7,000,000 sterling against £4,250,000 of exports. A disparity of this kind would be rectified by the outflow of specie. Germany, not being a gold-producing country, would have been rapidly impoverished by such a circumstance, and trade would have tended to balance itself by a diminution of imports."

Burdened with debt, distracted and impoverished by the long and disastrous struggle which had just closed, Prussia and the German States entered immediately upon the work of repairing their lost fortunes, and advancing their commercial and industrial interests. This could not be accomplished with open ports. Their industries could not make headway against that inundation of foreign wares which was taking place. The vast quantities of goods which were so suddenly thrust upon them at the close of the Napoleonic wars, proved the superior advantages possessed by England through her new inventions and machinery, and the inefficiency of moderate duties to shield the industries of the country from attack under the new conditions. So long as the system of hand-workmanship prevailed

An unequal contest.

alike in England and on the Continent, the cost of transportation was so great, especially from England to the interior of Europe, by rivers and overland carriage, that a degree of natural protection was thus afforded, which with low import duties would give adequate protection in the home market. Another phase of production as then carried on in England, made protection more necessary. The factory system had been introduced, larger establishments were carried on, supported by vast capital and facilities for the making and accumulation of large stocks of goods, which could be used as a weapon of commercial warfare by being in vast quantities suddenly offered for sale at low prices in competition with home producers, for the purpose of working the ruin of manufacturers, discouraging capitalists from entering the field as competing producers, and thus checking the growth of industries in all places which could be reached by British wares. The competition waged by English manufacturers did not stop with the efforts exerted by single concerns in this direction, but combinations were effected among all of the manufacturers in a particular line of production, who by concerted action made the suppression of rival industries a part of their commercial policy. As has already been pointed out upon the adoption of the first tariff law in the United States, in 1792, the merchants of Manchester contributed \$250,000 to be invested in goods, to be sold in the markets of the United States at low prices, or to be given away, if necessary, in order to discourage the investment of capital in manufacturing. It is this species of commercial warfare, engaged in by powerful producers which has made a system of protective tariffs an essential part of the economic policy of all well-regulated States where its producers from any cause are attempting to carry on manufacturing under disadvantages. With these economic conditions prevailing and the ruin and suppression of their industries actually being effected, Prussia and the other German States were at once driven to adopt methods for the protection of their own people. The effort on the part of certain free trade writers to show that the regulations resorted to, the custom barriers put up, and even the commercial union effected between Prussia and the German States, were brought about by political rather than commercial reasons, is futile. Prussia took the lead in 1818 by adopting a vigorous policy of protection. The purpose of such legislation is definitely stated in the tariff law of May 26, 1818, as follows:

*Prussia
obliged to
resort to a
protective
tariff.*

"The duties shall, by an expedient taxation of foreign trade and of consumption of foreign goods, afford protection to home industry, and secure to the State the revenue which trade and luxury can yield without obstructing commerce."

The principles involved in this legislation were more in harmony with the modern ideas of protection than the methods resorted to by Frederick the Great and the old Prussian sovereigns. State monopolies were abandoned, with the exception of salt and playing cards. The

conferring of special privileges upon individuals was discontinued, and prohibitions to sustain such monopolies ceased. The equal right was accorded to every citizen to engage in industries. The policy of admitting raw materials free which had been practiced by Frederick the Great, was continued. Small duties were levied on partly manufactured articles and adequate protection was extended to finished products. By the edict of November 2, 1810, the right was conferred upon every citizen to exercise his free choice of an occupation. The interference of the State in the control of industries and the direction of the labor and energy of citizens was abandoned.

The repudiation of many of the old practices of the mercantile system by the Prussians in 1818, and by the Zollverein later, is frequently referred to by certain economic writers as a tendency toward free trade and an indication of the growth of a free trade sentiment in Germany; when as a matter of fact the old practice of imposing duties on exports, of granting special monopolies to individuals, etc., has never been favored by economists and statesmen of the protectionist school. Instead of measuring the economic thought of the time by the legislation which was actually effected, the free trader judges of it by the abandonment of certain practices which have been no more condemned by free traders than by protectionists. As will be shown later, the fiscal policy pursued by nations prior to the latter part of the eighteenth century, although it embodied many of the essential principles of protection, contained certain features which were subsequently considered objectionable. These were the means resorted to for raising revenues, the retaliations against other States, and the granting of monopolies all of which were abandoned by the protectionist party, only those features being preserved which were proven by experience to have been wise and beneficial to the people. That there was a marked improvement in the economic thought of Germany, Prussia, and all commercial nations during the latter part of the eighteenth and the early part of the nineteenth centuries is unquestioned. But it was a tendency toward the distinctive features of the policy of protection, or the "American System," as it is now called, rather than toward free trade. The protection of home industries and a preservation of the home market for home producers, was the essential purpose in view. Before the Napoleonic wars a translation of Smith's "Wealth of Nations," by Christian Garve, was placed in all the public libraries and in the hands of the educated classes. The teachings of Adam Smith exerted an influence in modifying some of the old notions of the mercantile system as practiced by the Great Elector. These modifications and a conformity to sound protectionist principles, were distinctive features of the law of 1818. There is so much in the "Wealth of Nations" approving the idea of the advantages of home trade over foreign trade, and the benefits of domestic industries, that an out and out free

*Early
economic
thought.*

trade sentiment could not become fixed even in the minds of all those who read and became disciples of Adam Smith. The efforts of Kraus, Professor of Political Economy at the University of Königsberg, to form a free trade party failed, although his writings were instrumental in exposing many of the errors of the old policy.

The advantage of specific over ad valorem duties is nowhere better illustrated than in the expression of Julius Faucher, a disciple of Cobden, who, in discussing the features of the Prussian tariff of 1818, said:

"It was hoped (by free traders) that the maximum rate of 10 per cent *ad valorem* would not leave a *sufficient* margin for protection to breed unhealthy branches of industry in the country."¹

It, however, did not meet the expectations of those free traders who aided in arranging the schedules, and as they supposed had got the rate of duty down so low that imports would thereby be encouraged, and protection defeated. He said further:

The Prussian tariff legislation of 1819 would have been quite adapted to form the nucleus of a general European tariff reform, had it not been for an unintentional consequence of the otherwise excellent method adopted in fixing the positions of the tariff. *They had, namely, been fixed exclusively by measure, number or weight, and not ad valorem, which definition was applied to the maximum rate, but nowhere else.*¹

So it appears that as early as this, when the Prussian Chancellor, Prince Hardenburg, was attempting to build up the industries of his country and restore its prosperity, that this end would have been defeated had the duties been made ad valorem, instead of specific as they were.

The policy resorted to by the German States is described by Mr. Dawson, as follows:

The country being divided into a great number of States, each with its own laws and customs, national action in the domain of economics was impossible. What actually existed was a system of mutual destruction. Each State believed that its commercial prosperity required the adoption of stringent protective measures against its neighbors. High and often insurmountable customs barriers divided populations whose interests were in reality identical. Not only were duties imposed on imports, but prohibitive imposts frequently prevented the possibility of exportation. All countries suffered by this international war of tariffs.²

This narrow and unwise policy through the restrictions imposed upon each German State, while it encouraged a certain degree of industrial life in small localities and shielded them from attack, in the main proved a detriment and hindrance to general trade and was unsuited to the resources and conditions of the people. The benefits to be derived from a broader and more enlightened policy, were readily understood and an agitation was soon begun, largely through the efforts of Frederick List, then professor of Political Economy in the University of Tübingen,

¹ Cobden Club Essays, 1871-72, pp. 271-272.

² Bismarck and State Socialism, p. 20.

for reciprocity in trade between the States and protection against foreign competition. The commercial and industrial advantages which would arise from an exchange of commodities between the people of the German States was fully considered, and the policy of removing the custom houses to the frontier, and welding the peoples so similarly situated and having identical interests, into a commercial league, grew in favor until the public sentiment became ripe for its execution.

"Volumes were written," says Macgregor, "on the subject, the public press and the ablest political economists were especially engaged in the patriotic service."¹

Prussia, which took the lead, followed her tariff law of 1818, by an arrangement perfected in 1819 with Mecklenburg, Saxe-Weimar, and other States, by which her tariff system became extended over their territories. The persistent efforts of Prussia in this direction finally resulted in a union with all of the German States. On the twenty-second of March, 1833, the Kingdoms of Prussia, Bavaria, Württemberg, and Saxony, with Hesse-Darmstadt and Hesse-Cassel, formed an agreement called the Zollverein, or Union of Customs. The revenues were to be divided among the States in proportion to the number of their inhabitants. The other German States, with the exception of Baden, Nassau, and Frankfort gave their consent May 11, of the same year. Nassau and Baden signed the agreement May 12, 1835, and Frankfort in 1836. In 1841 Brunswick, and in 1842 Luxembourg completed the league. The cities of Hamburg and Bremen, exercising rights as free cities under their ancient charters, refused to enter the union; even under the Constitution of the Empire, in 1871, they were exempt from its customs regulations and remained open ports, and not until very recently did they enter the Zollverein. The apportionments of the customs revenue among the States were fixed by a congress of the union held at Munich, in the summer of 1836.

The tariff law enacted by Prussia in 1818 was taken as a basis for the union. Changes in the schedule of duties were left to be fixed by a congress of representatives appointed from the States. The governments represented in the Zollverein congress reserved the right of veto upon its acts. The Zollverein parliament continued in charge of the tariff regulations of the union until the adoption of the Constitution for the Empire in 1871, when its functions were vested in the Reichstag of the Empire. The steps taken by the Zollverein congress during the years immediately following its establishment, to improve the tariff schedules and to adjust them so as to promote the industrial welfare of the State, disclose the definite policy of protection which was being pursued. The duties on cotton goods were materially increased in 1843 and 1845. Before 1850 the duty on cotton yarn had been increased as much as 50 per cent; on

*Formation
of the
Zollverein.*

*The policy
of the
Zollverein.*

¹ Commercial Statistics, Vol. I., p. 486.

linen, 200 per cent; on linen manufactures, 100 per cent; and thread and lace, $9\frac{1}{4}$ per cent. In 1844 there was an increase in the duty on iron. The average rate under the Act of 1818 on importation was 12 per cent, while by 1841 Professor List estimated the duties on manufactured goods at from 20 to 60 per cent. That these duties were unsatisfactory to the English manufacturers, and afforded adequate protection to the coarser articles of more common use, is shown by the criticism made by Mr. Macgregor in 1845. He said:

The rates of duty are certainly not to be defended; they are unjust, as not bearing a relative proportion to the value of the articles upon which the duties are imposed. They levy the same duties on 100 pounds of coarse unbleached calicoes as upon the same weight of the finest sheetings and cambrics; and on 100 pounds of the coarsest woolen flannels and blankets as on an equal weight of the finest kerseymeres and broadcloths; the duties on woven goods, instead of being as promulgated publicly, at from 10 to 15 per cent on the value, range from 10 to 95 per cent on the value. There is, however, one great virtue in levying the duties, as rated in the Prussian tariff, by weight: that is, the discouragement to smuggling; from the circumstance that the more valuable and light the article is, the duty becomes so low in proportion that there is not sufficient temptation to encounter the risk and the penalties of contraband trade.¹

But while the duties imposed afforded protection to the manufacture of these coarser wares, the extensive production of finer fabrics and a greater variety of articles was not commenced until recent years, when a more vigorous system of protection was introduced under the leadership of Bismarck.

*Effects of
the tariff
laws.*

Considering the economic conditions which prevailed during the fifty years following the Napoleonic wars, and the habits, customs, and pursuits of the people, the results which followed the tariff policy were most gratifying. They afford a vindication of those economic principles through which a State seeks to elevate the masses, strengthen and build up its industries, and make its people prosperous and progressive, by legislative discrimination in favor of home producers against foreign rivals. The German people in the main, since the close of the Dark Ages have been devoted to rural pursuits. The feudal system which prevailed tended to continue the large land-owners and barons in power, while the masses were bound to a condition bordering on serfage. The capital of the country was largely tied up in vast landed estates. A sufficient number had not yet turned their attention to manufacturing, trade and commerce to accumulate any considerable degree of wealth to be invested in business enterprises; besides, the character of the German is such that he is slow to change his occupation and turn his energies into new and untried pursuits. The exhausted condition of the country at the close of the Napoleonic wars was another hindrance to a rapid industrial development. It required some years before the energies of this people would

¹ Commercial Statistics, Vol. I., p. 547.

become sufficiently aroused to make them capable of engaging in manufacturing on a large scale. Again, the introduction of textile machinery was necessarily slow, because it was largely invented by the English people and its exportation was prohibited until 1845. The period between 1815 and 1860 was, however, one of great transformation and improvement, not only in industries, trade and commerce, but in the social and political conditions of the people. The system of education so vigorously enforced by the government has so reduced the percentage of illiteracy that the universal education of the masses has become one of the distinguishing features of the people. The great universities and seats of learning are, perhaps, more advanced than in any other nation, in the departments of scientific and technical information. The establishment of free land tenures and the extension of the right of suffrage, and democratic institutions indicate a regard for the welfare of the masses, which would naturally be expected to be found in a nation practicing the policy of protection to home industries. The spirit of nationality and the powerful political empire are among the fruits of the Zollverein.

Numerous authorities might be quoted to show the industrial prosperity and benefits which followed the establishment of protection for the German States. It is not, however, necessary to give much space to a fact of this character which is so universally conceded. Mr. Yeats, an eminent English authority on commercial subjects, in speaking of the beneficent influence of such legislation, said:

Industrial prosperity.

The Zollverein, according to the census of 1867, comprises a territory of more than ninety thousand geographical square miles, with a population computed at over thirty-eight millions. Since the realization of commercial freedom, German industry has increased in an unprecedented degree, and to a certain extent competes successfully with that of Great Britain.

The character of the foreign commerce of Germany has entirely changed. Instead of exporting raw materials only she sends out the products of her own manufacturing industry, creating a market abroad which keeps her actively employed at home. The German woolen manufacture has recovered the ground lost in the Middle Ages, and its fabrics at present form a chief part of the Zollverein exports. The manufacture of cotton and silk has made equal progress, although the materials have to be imported. The linen trade has not yet been able to compete with that of England, but in steel and iron goods, in glass, paper and silk manufactures, in pottery, stoneware and porcelain, in chemicals, the refining of sugar and beer, Germany abundantly supplies her own wants and yet reserves a surplus for foreign interchange. The mercantile marine in 1871 consisted of five thousand one hundred and ten vessels, whose burden was about 1,300,000 tons, which was half as much again as the tonnage of the French merchant navy.¹

The abandonment of the policy of protection in England in 1846, of itself had a great influence on the economic thought of all nations. That

Overthrow of protection.

¹ Recent and Existing Commerce, p. 225.

the greatest manufacturing and commercial nation in Christendom should discard a policy which it had pursued for three centuries and under which it had incurred the jealousy and hostility of the world, and go to the full length of opening its ports to the free admission of the produce of all nations, could but arrest the attention of economists and statesmen of all countries. Mr. Cobden had scarcely completed the work in England, before he made a tour of the Continent for the purpose of forming a free trade party in the several countries, to aid in the establishment of universal free trade, which was the great end which the members of the Anti-Corn Law League had in view. In Germany he found a group of free traders who were ready to lend their assistance to his project. The old Prussian free traders, who had opposed the formation of the Zollverein and the protectionist principles which were embodied in the legislation immediately following the battle of Waterloo, had died off. It was to new men that the free trade party in England must look for help. The name of Cobden had been so associated with the free trade movement in England, the liberal features and alleged advantages of free trade to all countries had been so heralded throughout the world and so well advertised by English statesmen and writers, that Mr. Cobden became the centre of attraction and an object of curiosity wherever he went on his tour. He was given a reception at Berlin and Stettin. When he left for Russia he stated to Julius Faucher, "Always rely upon the men who keep accounts at double entry, and the best allies are those who have the best name on 'Change. All will go well." Just what Mr. Cobden meant by this expression might be viewed in several ways, but he undoubtedly had in mind the principle upon which the Anti-Corn Law League so much relied, of placing persons of wealth in control and directing legislation more exclusively to promote their interests. From the time of Cobden's visit to Germany, the agitation in favor of free trade constantly increased, until many of the leading and most influential statesmen had been converted to its principles, and those offices which controlled and directed commercial affairs became filled with free traders. As the agitation in Germany progressed, constant correspondence was carried on between its leaders and Mr. Cobden until his death. The advocates of free trade formed what was styled a Congress of Political Economists. Of this body Julius Faucher says that it "contributed more to shape the law of the Empire as it now is (1871) than all the Landtags and Chambers of Germany put together."¹

*Success of
the free
trade cam-
paign.*

Its plan of campaign was to win over adherents in the localities where the chief industries were carried on, by inviting manufacturers and business men to meet in open discussion. At these meetings the free trade disputants, who for a year had been preparing statistics, studying their dogmas and developing fine-spun theories, suddenly

¹ Cobden Club Essays, 1871-72, pp. 288, 289.

sprang them upon the busy manufacturer, with telling effect. One familiar with the so-called scientific literature studied by the professional free trade agitator, can form something of an idea of the arguments used to overthrow the policy of protection in Germany. The system of protection was then in vogue. The generation to whom their arguments were addressed had grown up since those disastrous years when the country was flooded with British wares. Besides, the policy of free trade had not been put into practice by any nation a sufficient length of time to show results one way or the other. Prophecies were cheap. They were undoubtedly liberally indulged in as they had been on all similar occasions, to show what would happen and how the country would prosper under free trade. Appeals to prejudices, expressions in favor of personal liberty and individual rights, would fully accord with the democratic spirit which had taken such a strong hold on the German people. While the manufacturers were too busy to expose the sophistry of the free trade economists, their own experience was sufficient to satisfy them of the errors involved in the scheme and the results which would follow an inundation of their country with British wares. But the work went on, until finally the policy of protection was overthrown by a band of theorists who were being supplied with arguments and sophistry from Manchester.

The first successful attack on the tariff schedules of the Zollverein came in 1865, when many old duties were reduced and others repealed. This was but a skirmish line of the battle yet to come.

*Reduction
of duties—
Free trade
adopted.*

Herr Delbrück and Count Bernstorff, Minister of Foreign Affairs, were active in support of the free trade measures. The next step toward free trade was the Commercial Treaty with Austria in 1868, through which import duties were greatly reduced. Still further reductions were made in 1868, 1869, 1870, 1873, and by 1877 the tariff regulations had been swept away and the German Empire had passed to a free trade policy.

There was not the slightest occasion for this assault on the economic policy of the country, to be found either in the condition of the foreign trade, the home trade or the development of the industries of the country. It was a raid started and pressed to a successful issue by men inexperienced in business, by dogmatic and speculative reasoners. The benefits which they claimed would arise from a free trade policy rested wholly on prophecy; beside which they were doing the bidding of Cobden and his associates and acting under a close alliance with the British free traders of Manchester. As will appear later, they took advantage of political conditions which were favorable to the enforcement of their notions. The statesmen of the country were occupied with the great problem of political union and the establishment of an empire. Under these circumstances the allies of Great Britain were forcing themselves into the control of the economic affairs of the nation.

*Return to
protection.*

The free trade policy of Germany was of short duration. The men who made it possible soon ceased to exercise influence in the affairs of the nation, and a protectionist reaction set in, which swept away every vestige of free trade and gave to the people more adequate protection than they had ever enjoyed. The one man who is entitled above all others to the credit of returning to a sound economic policy is Prince Bismarck, the most prominent character in German politics, whose great energies shortly after the formation of the Zollverein, had been centred in military affairs and in uniting all of the German States with his own country (Prussia) into a political union. A statesman of pre-eminent ability exhibited as member of the Prussian parliament and as minister to Russia and France, with years of ripened experience, Bismarck was fully equipped for the great duties of Prime Minister which naturally and logically fell to him upon the establishment of the Empire. The rivalry between Austria and Prussia may be traced back to the time of Frederick the Great. The Prussian statesmen early conceived the idea of extending their empire and uniting with it the smaller kingdoms and states of Germany. The formation of the Zollverein was one of the first steps in this direction. Austrian statesmen not only saw the advantage of this policy, but jealous of the rising powers of their old rival, sought to gain admission to the union. This was opposed by Prussia. Early in the fifties, William I. and Bismarck entered upon a policy of strengthening and disciplining the Prussian army. Although meeting with many difficulties in obtaining appropriations for that purpose in time of peace, their efforts were so successful that by 1866, after having some experience in the Danish wars, they felt that they were able to crush Austria, gain favor with the German States and consummate their great purpose. In 1866 Austria was invaded with an army of 250,000 men.

*The found-
ing of the
Empire.*

The Austrians were routed and crushed at Sadowa, one of the greatest battles of modern times. The discipline of the soldiers, the superior generalship displayed by the Prussians, awakened the world to the fact that some mighty intellects were controlling the destiny of Prussia and directing her affairs. King William, Bismarck and Baron Von Moltke, had now made the consummation of their great purpose possible. Napoleon III., who then sat on the French throne, jealous of the rising power of Prussia, began to prepare for war. The cry soon ran through France, "Revenge for Sadowa." It would be out of place here to mention the details of the incidents which led up to the war which followed. The Emperor of France was anxiously waiting for a pretext to open hostilities. It was found in July, 1870, when,

Gramont, the French minister, laid a distorted representation of the previous negotiations before the Representative Assembly (July 15), alleging a gross affront offered to the French ambassador; and, although vehemently opposed by some members, especially by Thiers, the Assembly voted, nearly unanimously, 500,000,000

frances for the war. This was the actual declaration of war; the formal followed, July 19.

The outcome of this rash act on the part of Napoleon III. is fresh in the minds of all. The French people, unprepared, undisciplined, without generals able to cope with the Prussians, with their affairs in the hands of a weak ruler and divided among themselves, although fighting with the bravery which has always characterized the French soldier, were unable from the start to resist the Prussian invasion. Scarcely had the declaration of war been announced in Prussia, when half a million men were in the field ready for action, and marching toward the French border. The French, defeated in every engagement, with the Emperor a prisoner, had fallen back and confined themselves within the strongholds of Paris. By February 12, 1871, the war was at a close. The terms of peace, dictated by King William, were accepted and the Germans withdrew from the country.

Although of short duration, it was one of the bloodiest and most destructive wars of modern times. Not only important in its display of modern military tactics and ordnance, but still more important in its political effect on the destiny of France and Central Europe. In this short space of time the monarchy had been overthrown and the French Republic rose from the ruins. On January 17, 1871, at Versailles, King William assumed the imperial dignity under the title of German Emperor; and on the sixteenth of August of the same year, a constitution was formally signed which united Prussia and the German States into an empire. Under the constitution the Zollverein Congress was at an end, and all tariff regulations were now to be enacted by the Reichstag. The final overthrow of protection was accomplished during the period of speculation and prosperity which followed the war. The payment of the war indemnity by France had filled Germany with gold. The vast expenditures of the government during the war had placed in circulation large sums of money. Universal prosperity prevailed. Everybody was speculating in the stock companies and other enterprises which were being promoted. This condition made it easy for the free traders; and for a time they had everything their own way. Yet protectionism in Germany was not dead. The blighting effect of free trade legislation between 1865 and 1870, before the war broke out, was being felt. The reaction against Cobdenism had begun to set in, but was for a time checked by the war and the business conditions which prevailed after its termination.

In 1872 a protectionist party was organized at Eisenach, to combat the theories which were being promulgated by the free traders, and to resist the movement which had gained such strength and ascendancy through the efforts of the Congress of Political Economists, which, since 1858, the time of its organization at Gotha, had won the monied and trading classes over to the Manchester school. The protectionist party

The protectionist party.

was organized upon a much broader basis of economic principles than the old protectionist party of List, or the protectionists of France and the United States. It supported also some of the principles of social democracy, advocating the extension of the functions of government to the ownership of railroads, telegraphs, and other public enterprises. It also favored the extension of the guardianship of the States over the working classes, and laws for the amelioration of their condition. This phase of the question found expression in several legislative measures among which may be mentioned a law for compulsory insurance in case of sickness (1883); a similar law regarding accidents (1884); and one providing annuities for old age, and in case of incapacity for further work (1889).

With regard to this legislation Prof. Wagner says:

Its ruling idea was the untenableness in modern times of the *laissez faire* principle, the one-sidedness of the theory that the State should restrict its activity to the mere maintenance of the law and the promotion of peace without and within. It demanded State encouragement and protection of trade, industry and agriculture, State promotion of the interest of culture in general and State intervention in the workingman's condition.

As soon as the period of speculation had passed away and the trade of the country assumed its normal condition, the disastrous effect of free competition and open ports began to be felt. The various industries of the country were checked in their expansion by foreign competition, and the people were brought face to face with the practical working of the Manchester policy. The conditions which prevailed and the first steps taken by Bismarck toward a return to protection, are very concisely stated by Mr. Dawson, as follows:

Hard times.

Failure followed failure. Factories were stopped, warehouses were closed, and industrial fortunes, built up slowly by the accumulation of hard-earned profits, disappeared like the snow beneath the sun. Labor fared even worse than capital. The wages which had risen so rapidly fell with a shock, where, through the cessation of employment, they were entirely lost to the toiler's family. Agriculture, too, had long been suffering severely. Prices had fallen while taxation had risen. In many parts corn could no longer be grown at a profit on account of the enormous imports of foreign grain, and the area under cultivation had considerably decreased. The imports of rye, barley and oats over the Russo-Prussian frontier or by the Baltic Sea had doubled in two years:

	Rye.	Barley.	Oats.
1875	6,869,324	530,107	2,368,663 cwt.
1876	11,361,144	594,312	3,196,049 "
1877	13,266,203	1,920,778	3,620,447 "

The imports of American corn had also increased greatly.

The disastrous commercial crisis which Germany passed through at this time, gave great stimulus to the movement for protection. The reactionary party redoubled its efforts, and by means of the parliamentary tribune, the public platform, the press, and by pamphlets and ephemeral literature, endeavored to convince the country of the folly of "Manchesterdom."

But success was not to be attained just yet. Prince Bismarck has placed it on record that the year 1877 was the decisive year in which he came to a turning-point in his life, so far as concerned economical and social questions. Then he began to make economics a serious study. He has said:

"During the first fifteen years of my ministerial activity I was absorbed by foreign politics, and I did not feel called upon to trouble myself much with the internal politics of the Empire, nor had I the requisite time. I took it for granted that the internal affairs were in good hands. Afterward, when I lost the help which I had thought reliable, I was compelled to look into matters myself, and I found that though I had up to then sworn *in verba magistri* the actual results did not come up to the expectations which underlay our legislation. I had the impression that since the introduction of the free trade system in 1865 we fell into atrophy, which was only checked for a time by the new blood of the five milliard contribution, and that it was necessary to adopt a remedy."

Bismarck's policy.

Up to 1876 Bismarck had entrusted the country's economic policy entirely to Minister von Delbruck, but in that year this colleague resigned office. The reason given for the withdrawal of Dr. Delbruck was "motives of health," but everyone knew that he left the Chancellor because of irreconcilable disagreement of views. The resignation of Dr. Delbruck, who occupied the position of President of the Chancellerie, was followed by that of Herr Camphausen, Minister of Finance, and before two years had passed the Ministers of Commerce and the Interior had also withdrawn from office. Everything was now propitious for the inauguration of a new economic era. Prince Bismarck referred as follows, in the Prussian Lower House, on February 4, 1881, to the Delbruck secession:

"Before I concerned myself personally with customs questions I did not represent my own convictions, but those of my colleague Delbruck, whom I regarded as the right man in the right place, for I had no time to form my own views. . . . It was the retirement of Delbruck which compelled me to form views for myself and to express them. I cannot properly say that I formerly held other views than now; you might as well dispute with me as to whether I had been of this or that opinion, had held this or that theory, respecting some scientific question. I had no time to form a definite picture of mercantile politics. I deny that my former views were opposed to my present, for I had none; I was the obedient disciple of Herr Delbruck, and I expressed his views when I expressed views at all. But when he retired from the partnership, I was compelled to represent my own opinion, which perhaps deviated in many respects from his, but I certainly did not formerly hold contrary opinions, which now I have changed."¹

The economic principles advocated by this distinguished statesman, the views entertained of the true functions of government, the duty which the nation owes to its people, the community of interest involved, the degree of sympathy which should prevail among citizens, command the most careful attention and most earnest reflection of the best thought of the age in all countries. Bismarckism, protectionism in Germany, is the very opposite of Cobdenism. The Manchester school of economics was based upon the principles announced by the Physiocrats of France, who held that the State should confine itself simply to police regulations in preserving order, leaving the individual to fight out the battle of the survival of the fittest in the struggle for existence; leaving the strong, the cunning and crafty to destroy the weak. The cold adherents to these

The State's concern for the welfare of the people.

¹ Bismarck and State Socialism, pp. 40 and 41.

principles could view with philosophic unconcern the degradation and misery of the masses doomed to eternal want, with no hope of ever extricating themselves from conditions which were held to be the natural order of things. The broadest-minded, the most humane and the most enlightened statesmen of all countries have rejected the cold-blooded, and what are believed by many to be the un-Christian, teachings of the greedy capitalists of Manchester. The earlier speeches of Bismarck show that his great mind, soon after becoming charged with the responsibility of public affairs, grasped the fundamental principles of "a government of the people, by the people and for the people."

He said on June 15, 1847:

*The
"Christian
State,"*

I am of the opinion that the idea of the Christian State is as old as the *ci-devant* Holy Roman Empire, as old as all the European States, and that it is the soil in which these States have taken root, and that a State if it would have an assured permanence, if it would only justify its existence, when it is disputed, must stand on a religious foundation. . . . I believe I am right in calling that State a Christian State which seeks to realize the teaching of Christianity. That our State has not succeeded in doing this in all respects was shown yesterday by the Deputy Baron von Vincke in a parallel, more ingenious than agreeable to my religious feelings, between the truths of the gospel and the paragraphs of the common law.

From this expression of his views we can readily understand how it was that upon making a careful examination of the science of economics, he declared that he "holds free trade to be altogether false as an absolute principle," and became one of the strongest champions of the doctrine of protection. It was undoubtedly his conviction of the duty which the State owed to its people, the purposes for which governments are instituted, that controlled his actions in the economic policy which he favored. On April 2, 1881, he said:

I should like to see the State, which for the most part consists of Christians—although you reject the name Christian State—penetrated to some extent by the principles of the religion it professes; especially as concerns the help one gives to his neighbor, and sympathy with the lot of old and suffering people.

Here he shows the regard which the government should have for the welfare of the poor. It has already been pointed out that the free trade policy of England only concerns itself with the something over 6,000,000 of property holders, leaving the 30,000,000 of toilers to make their way under adverse conditions, to survive or perish as the case may be. Expressing himself upon the concern which the State should have for the welfare of all its people, on January 9, 1882, he said:

I do not comprehend with what right we acknowledge the demands of Christianity as binding upon our private dealings and yet in the most important sphere of our duty—participation in the legislation of a country having a population of forty-five million people—push them into the background and say, here we need not trouble. For my part I confess openly that my belief in the consequence of our revealed religion, in the form of moral law, is sufficient for me, and certainly

for the position taken upon this question by the Emperor, and that the question of the Christian or non-Christian State has nothing to do with the matter. I, a minister of the State, am a Christian, and as such I am determined to act as I believe I am justified before God.

In discussing the application of free trade dogmas to the question of the omission of a government to perform its duty toward its people, he said:

Herr Richter has called attention to the responsibility of the State for what it does. But it is my opinion that the State can also be responsible for what it does not do. I do not think that doctrines like those of "*Laissez faire, laissez aller*," "Pure Manchesterdom in politics," "*Jeder sehe, wie er's treibe, Jeder sehe wo er bleibe*," "He who is not strong enough to stand must be knocked down and trodden to the ground," "To him that hath shall be given, and from him that hath not shall he taken away even that which he hath"—that doctrines like these should be applied in the State, and especially in a monarchically, paternally governed State. On the other hand, I believe that those who profess horror at the intervention of the State for the protection of the weak lay themselves open to the suspicion that they are desirous of using their strength—be it that of capital, that of rhetoric, or whatever it be—for the benefit of a section, for the oppression of the rest, for the introduction of party domination, and that they will be chagrined as soon as this design is disturbed by any action of the government.

Then with these views of the function of government, its duties and responsibilities we find him judging of economic policies from results which are easily pointed out. It was the experience of men and nations which guided him in choosing between protection and free trade. He saw that those nations which had been most prosperous and whose people enjoyed the highest degree of comfort and happiness practiced the principles of protection, while those which had been least prosperous and in which the greatest degree of suffering and degradation is found among the masses practiced free trade. This one important fact so easily observed, so definite and reliable, has as it should have done, exercised a controlling influence among the great statesmen of the world. It is the one great fact which has destroyed and proven the absurdity of free trade dogmas. Upon this phase of the question on May 2, 1879, he stated to the German parliament:

*The lesson
of experi-
ence.*

I pay as little regard to science as I do in any other judgment of organic institutions. Our surgery has made splendid progress during the last two thousand years; but medical science has made no progress in regard to the internal conditions of the body, into which the human eye cannot see, and here we stand face to face with the same riddles as before. So it is with the organic formation of States. In this respect, the abstract doctrines of science do not influence me; I judge according to the experience which we have. I see that the countries which protect themselves prosper, that the countries which are open are declining, and that great and powerful England, that strong combatant, who, after strengthening her muscles, entered the market and said: "Who will contest with me? I am ready for anyone," is gradually going back to protective duties and will in a few years adopt them so far as is necessary to preserving at least the English market.

*No ground
for fear of
concentra-
tion of
wealth
under pro-
tection.*

The cry of "robber barons," "monopolists," and "plutocrats," which British free traders have borrowed from the anarchists, was raised in Germany as it has been in all countries where the raid against protection has been egged on from Manchester and the Cobden Club. Such arguments did not deceive Bismarck. He well knew that the cry was raised as a sham. That any undue and improper encroachment of capital, as well as combinations of all sorts detrimental to the welfare of the people, could be stamped out or controlled only through State action; while under the individualism of free trade, the hand of the government would be kept off, and there would be no power except the law of the survival of the fittest, to check the aggression of improper combinations. With a well-directed government Bismarck did not fear the wealth of the people, but saw the great benefit of capital when directed to the development of the resources of a country and the employment of labor. In a speech in the Reichstag, he said:

I wish we could immediately create a few hundred millionaires. They would expend their money in the country, and this expenditure would act fruitfully on labor all round. They could not eat their money themselves; they would have to spend the interest on it. Be glad then, when people become rich with us. The community at large, and not only the tax authority, is sure to benefit.

In the latter part of the year 1877 a movement for the return to protection assumed a definite form. The government was applied to by the protectionist party to restore the import duties on competing commodities. It was at this time that Prince Bismarck was pursuing his investigations and giving the question his serious consideration. A conference had just been held at Heidelberg, of the ministers of finance of the various German States, to consider the financial condition of the country. Upon the conclusion of their deliberations on the question, it was recommended that the revenues of the nation be increased by duties on imports. Upon the recommendation of the Chancellor, the federal council appointed a committee of fifteen members to investigate the whole question. The attitude of the government is disclosed in a communication addressed by the Chancellor to the committee on December 15, 1878. A return to a protective tariff was recommended. In the language of the communication such a policy was favored as

*The
proposed
protective
policy.*

Was laid down in the Prussian customs legislation from the year 1818 onward, and later found expression in the universal import duty imposed by the customs tariff of the *Zollverein* up to 1865. Exemption from this liability to pay duty would be allowed to raw materials indispensable to industry which, like cotton, cannot be produced in Germany, and according to circumstances, to those which can only be produced in insufficient quantity or quality. All articles not specially exempted should be subjected to an import duty graduated according to the value of the commodity and on the basis of various percentages, according to the requirements of home production. The customs rates thus to be laid down would be reduced to weight-units, as is the rule in the existing customs tariff, and in this way levied, so far

as, from the nature of the object, the levy of the duty may not be desirable per piece (as in the case of cattle) or according to value (as in the case of railway carriages or iron river craft).

A customs system which secures to the entire home production a preference before foreign production in the home market, while keeping within the limits imposed by financial interests, will not run the risk of this antipathy. Such a system will in no way appear partial, because its effects will be more equally spread over all the productive circles of the land than is the case with a system of protective duties for isolated branches of industry. The minority of the population, which does not produce at all but exclusively consumes, will apparently be injured by a customs system favoring the entire national production. Yet, if by means of such a system the aggregate sum of the values produced in the country increase, and thus the national wealth be on the whole enhanced, the non-producing parts of the population—and especially the State and communal officials who are dependent upon a fixed money income—will eventually be benefited; for means of counterbalancing hardships will be at the command of the community in case the extension of customs-liability to the entire imports should result in an increase of the prices of the necessities of life. Yet with low duties such an increase will, in all probability, not take place to the extent to which consumers are accustomed to apprehend, just as, on the other hand, the prices of bread and meat have not fallen to an appreciable degree in consequence of the abolition of the duties on corn-grinding and cattle killing in the parishes where these used to exist. The real financial duties imposed on articles which are not produced at home and the import of which is indispensable, will in part fall upon the consumer alone. On the contrary, with articles which the country is able to produce in quantity and quality adequate to the home consumption, the foreign producer will alone have to bear the duty in order that he may compete in the German market. Finally, in cases in which part of the home demand must be covered by foreign supply, the foreign producer will in general be compelled to bear at least a part and often the whole of the duty, and thus to reduce his profit to the extent of this amount.

The economic policy foreshadowed by this communication could not be mistaken. The public revenue was regarded as of minor importance when compared with the industrial and commercial interests involved in a return to the system of protection. The communication from which the above quotation was taken, was followed by an address from the throne on February 12, 1879, which contained the following:

The federal governments are considering legislative measures for the removal, or at least the diminution, of the common evils from which we are suffering. The proposals which I have made, and still intend to make, to my allies aim, by providing the Empire with new sources of revenue, at placing the governments in a position to desist from levying the taxes which they and their legislatures recognize as the hardest to enforce. At the same time I am of the opinion that the country's entire economic activity has a right to claim all the support which legislative adjustment of duties and taxes can afford, and which in the lands with which we trade is, perhaps, afforded beyond actual requirement. I regard it as my duty to adopt measures to preserve the German market to national production so far as is consistent with the general interest; and our customs legislation must accordingly revert to the tried principles upon which the prosperous career of the *Zollverein* rested for nearly a half a century, but which have in important particulars been deserted in our mercantile policy since 1865. I cannot admit that actual success has attended this change in our customs policy.

After having once formulated a definite plan of action, its consummation was immediately undertaken. The government bill for the restoration of protective duties had been drafted and sent by mail to all members of the Reichstag during the Easter recess. The debate, which continued from the second to the twenty-eighth of May, was opened with a speech from Prince Bismarck which lasted for more than an hour. Among other things he said:

*Need of
protection.*

At present there were too many direct and too few indirect taxes, and he aimed at reversing this order. The Prince contended that civil servants should not have to pay the income tax. Another mistake was the distinction made between movable and immovable property. No branch of industry was so highly taxed as agriculture, and the present indirect taxation did not give native labor the protection which it ought to have. He would not enter into the question of free trade *versus* protection, but one thing was clear, that, through the widely opened doors of its import trade, the German market had become the mere storage-space for the over-production of other countries. They must, therefore, shut their gates, and take care that the German market, which was now being monopolized by foreign wares, should be reserved for native industry. Countries which were enclosed had become great, and those which had remained open had fallen behind. Were the perils of protectionism really so great as sometimes painted, France would long ago have been ruined, instead of which she was more prosperous after paying the five milliards than Germany is to-day. And protectionist Russia, too—look at her marvelous prosperity! Manufacturers there had lately been able to save from 30 to 35 per cent, and all at the cost of the German market. The question before them was not a political but a financial one, and they should put all personal sensibility aside.

"Let us close our doors and erect somewhat higher barriers," said the Chancellor, "and let us thus take care to preserve at least the German market to German industry. The chances of a large export trade are nowadays exceedingly precarious. There are no more great countries to discover. The globe is circumnavigated, and we can no longer find any large purchasing nations. Commercial treaties, it is true, are under certain circumstances favorable to foreign trade; but whenever a treaty is concluded, it is a question of *Qui trompe-t-on ici?* Who is taken in? As a rule one of the parties is, but only after a number of years is it known which one."

In speaking of the agricultural interests of the country, he said:

It is therefore not only to the interest of the farmers, but to that of the entire community that corn growing should be maintained.

It had appeared by the report from the government, which accompanied the bill, that the country was being flooded with farm produce from other countries, which was being sold at very low prices, he said:

With which home producers could not compete, so that ruin stared them in the face. . . . If cheap corn is the goal at which we should aim, we ought long ago to have abolished the land tax, for it burdens the industry which produces corn at home, which produces 400,000,000 cwts., against the 27,000,000 or 30,000,000 which we import. But no one has ever dreamed of such a thing; on the contrary, in times when theory has been the same as now, the land tax has been gradually increased throughout Germany so far as I know, and in Prussia 30 per cent, since 1861, being increased from thirty to forty million marks.

Speaking of the depression of agriculture and the consequences which would follow the destruction of this important industry by free trade, he said: "Not only agriculture, but the present State, and the German Empire itself, would go to ruin." But he regarded the German farmers as wise enough to take care of their own interests. "Twenty million farmers," he said, "will not allow themselves to be ruined. It is only necessary that they should become conscious of what is before them, and they will try to defend themselves by legal and constitutional means."

The free trade forces were completely routed. They had met an intellectual giant, one who could expose all of their dogmas and set the misguided members of the Reichstag aright. The brief experience of the German people with the policy of free trade had afforded examples which proved the error that had been committed by the free trade minister in abandoning the time-honored policy under which Germany had grown great, and the foundation had been laid for erecting the mightiest empire in Central Europe. The bill passed the Reichstag on July 7, 1879, by a vote of 217 for and 117 against.

In 1881, when protective duties were further increased, Bismarck told the Reichstag that, "in the development of our tariff I am determined to oppose any modification in the direction of free trade and to use my influence in favor of greater protective and of a higher revenue from frontier duties." In 1885, when the Chancellor moved a still further increase of duties and extension of his policy, he was able to point to definite results which had followed the return to protection, in the revival of business and the growth and expansion of industries which were taking place. Referring to the policy of protection, he said, "It had freed the country from its poverty of blood." The exports of manufactured articles had increased from 1,026,500,000 marks in 1878 to 1,368,300,000 marks in 1880, or 33 per cent. Wages and profits had materially increased. By a report of the German iron and steel manufactures representing 247 works, it appeared that the number of artisans employed had increased 35 per cent in 1884, over 1879. The number of steamships had increased from 336 with a tonnage of 183,379 in 1878, to 650, with a tonnage of 413,943 in 1885. In 1875, 21,472 German vessels returned to port with a tonnage of 2,505,779, while the arrivals had by 1885 increased to 36,115, and the tonnage to 4,513,692. The tonnage and vessels outward showed a similar growth. The number leaving port in 1875 was 18,223, with a tonnage of 2,076,234, while in 1885 there were 34,211, with a tonnage of 3,989,052. In 1887 the Association of German Iron and Steel Manufacturers, upon an investigation made into the condition of the industry and the effect of the increased duties upon the employment of labor, showed that in January, 1879, before the return to protection, 233 large iron and machine works employed 124,262 hands, and paid them 7,681,291 marks per month, or 61.83 marks each. The contrast between

*Triumph
of protec-
tion.*

*Improve-
ment of
trade and
industry
under
protection.*

the month stated and the same month in 1887 is most significant of the result which always follows the application of protection. The number of employees had increased to 162,320 an increase of 38,058, which equals 30.6 per cent. The wages paid were 10,740,056 marks (66.17 marks per head), an increase of 3,058,765. Not only were wages increased but fair profits were returned for the investment of capital.

The Dusseldorf Chamber of Commerce reported that

We can on the authority of a searching investigation made in industrial circles, assert with satisfaction that the influence of the customs tariff has on the whole, been favorable to the branches of industry affected by it in this district. The balance sheets of the large establishments, as well as the increase of work people, afford ample evidence of this.

In speaking of the effect of protection, Mr. Dawson says:

One swallow does not make a summer, and one testimony to the favorable effects of protection in Germany would not be conclusive. But evidence on the point is abundant. An unprejudiced mind cannot but acknowledge that, owing to the peculiar economic position of Germany in the last decade, protection was eminently calculated to stimulate and support her industries and commerce. In technical matters on the one hand, and in practical experience and genius for business on the other, Germany was far behind older rivals like England and France. She was only beginning to force her way into foreign markets, while she was yet a great consumer of the productions of other countries. In 1878 the import of industrial articles alone was 570 million marks; but after the introduction of the new tariff the reduction in the first year was 395 millions, or 31 per cent less, while during the same period the industrial exports rose from 1,026 to 1,368 millions, or 33 per cent more. Unlike England, Germany had industries to create, trade to build up, and she determined to defend herself against the skill and enterprise of older countries during the period of her industrial juvenescence by submitting herself to the leading-strings of protection until she could with assurance and safety walk alone.¹

Agriculture.

The Chancellor's views on the question of the importance of agriculture as a great branch of productive industry, is indicated in his defence of the landed interests in 1885. In the Reichstag on February 14, 1885, he expressed his belief that the land-owners were the mainstay of the Empire, saying: "If you succeed in destroying this race you would see the result in the palsying of our entire economic and political life."

It will be noted that there is being no disposition manifested on the part of the German people to abandon agriculture and to open their ports to the free admission of the farm products of other countries. The economic policy which is being pursued, involves the maintenance of all the sources of subsistence and employment which can be found within the borders of the Empire. The evils of a one-sided trade and the loss which would be sustained by restricting any of the great fields of production, are fully understood. The wide range of industrial pursuits is disclosed by

¹ Bismarck and State Socialism, p. 61.

the division of employments, which appeared by the census of 1882. The population then of 45,500,000 was divided between the various occupations as follows:

Agriculture gave employment to 8,500,000 laborers, with nearly 11,000,000 families and servants dependent upon them for subsistence, making 19,500,000 persons in all, or 42.5 per cent of the total population. 6,500,000, with 10,000,000 dependent upon them, or 16,500,000 in all, or 35.5 per cent of the total population were occupied in manufacturing and other industries. In trade there were 1,500,000 with 3,000,000 dependent upon them, or a total of 4,500,000, or 10 per cent of the population. The policy of maintaining agriculture, as well as manufacturing, as a principal means of subsistence, has not in the least been departed from. The tariff law of 1879 was amended May 22, 1885, by increasing the duties on agricultural produce. A duty was imposed on wheat, equivalent to 71 cents for 224 pounds, and on wheat flour and rye of \$1.70 per 224 pounds. Not only the agriculturists, but the millers are favored by this legislation. By the act of 1887, the following duties were imposed:

Wheat and rye, ...	\$1.19 per 224 pounds.
Oats, ...	.95 " "
Barley, ...	.53 " "
Corn, ...	.47 " "
Flour of wheat or rye, ...	2.50 " "

*Importance
of agri-
culture.*

Under the commercial treaty entered into between the United States and the German Empire, concluded January 30, 1892, American farm products were to be admitted into Germany under reduced duties. Rye and wheat flour at \$1.78 per 220 pounds; wheat, 83 cents for 224 pounds. United States Consul-General Frank H. Mason, in speaking of the manner in which the German Government imposes import duties on farm products, says:

As to the duty on flour from other countries when imported into Germany there are three schedules as follows:

(1) The lowest, \$1.78 per 224 pounds, which is conceded to the most favored nations, which are, besides the United States, the Argentine Republic, Belgium, Chile, Costa Rica, France, Great Britain, Hawaiian Islands, Italy, Switzerland, Servia, Spain, Denmark, Greece, Sweden and Norway, Korea, Turkey, Dominican Republic, South African Republic, Zanzibar, Honduras, Congo Free State, Guatemala and Paraguay. All these most favored nations enjoy their special privileges under commercial treaties which have been in many cases adopted for a specified number of years, and are therefore liable to be discontinued when they expire by limitation. There is at present in German politics a strong agrarian party which is opposed to such treaties, in so far as they apply to agricultural products; but, despite this influence, the treaties with Roumania and Spain have been recently renewed, with certain modifications. Only four of the nations in the most favored class—Austria-Hungary, Roumania, Bulgaria and the Argentine Republic—have any considerable export of cereals to Germany which compete seriously with the heavy imports from the United States.

*Duties on
agricul-
tural
products.*

(2) Brazil, Russia and other countries not belonging to the most favored class are subject to the standard duty of 10.50 marks (\$2.50) per 224 pounds on flour when imported into Germany.

(3) Since the outbreak of the tariff war between Germany and Russia on the first of August, 1893, the duty on flour from the latter country has been increased 50 per cent, and is now 15.75 marks (\$3.75) per 224 pounds.

The import duty on wheat from all nations in the most-favored class, including the United States, is 83.3 cents per 224 pounds; \$1.19 per 224 pounds from all other countries, except Russia. It is \$1.78 per 224 pounds when imported from Russia.¹

Commercial treaty between Russia and Germany.

The tariff war between Russia and Germany was brought to a close March 16, 1894, when the new commercial treaty between the two countries was approved by the Reichstag. It admits Russian agricultural produce upon the same terms as those of other countries. The effect of the restoration of Russian farm products to the same rate of duty as those of other countries, upon the prospect of a future market for grain grown in the United States, was referred to by Consul-General Frank H. Mason, in his report from Berlin in February, 1894, when the negotiations were pending, which resulted in the treaty referred to. He said:

The practical question is how serious will be the competition of Russia in these and other staple products should the pending treaty restore her to commercial advantages equal to those of the United States? Russia will, from the day that the new treaty takes effect, resume her old position as the source of supply of nine-tenths of the foreign rye used by Germany. The same will be true, in a greater or less degree, of raw flax, certain kinds of lumber and timber, lubricating oils, barley, flaxseed, and a number of animal and mineral products, in all of which the fields, forests and mines of Russia supplement naturally and irresistibly the manufactures of Germany. Rye is the principal bread material for the Russian as well as the German peasant, and in production of that cereal Russia need fear no competition.

With regard to wheat the problem is much more complicated, for the reason, among others, that not only Russia, but India, Australia, the Argentine Republic and Uruguay will have to be taken into account. To raise and deliver a bushel of wheat in the United States costs, according to official estimates, about 50 cents. In India the cost per bushel is stated to be 35 cents, and the danger from that quarter is measured only by the limit to which the area of culture can be extended. In South America this point is not known to have been accurately determined, nor are the statistics of wheat export from Chile, Uruguay and the Argentine Republic generally accepted as trustworthy. But enough is known to warrant the belief that the wheat crop of India and South America is nearly if not quite equal to that of the United States, and in the Argentine Republic at least the area of cultivation is susceptible of indefinite extension.²

Importation of bread stuffs.

The purchase by Germany of foreign bread stuffs is also affected by good or bad harvests. The uncertainty of the market from this cause is shown by the government report of 1894, from which it appears that by reason of good crops in 1893, the imports of wheat and rye declined about 1,000,000 tons; of wheat 592,760 tons and of rye 324,337 tons. In one year the purchase of various kinds of grains fell off \$33,000,000. The

¹ United States Consul Reports, Vol. 44, p. 529. ² United States Consular Report, No. 163, 1894, p. 678.

investigations of the United States consuls, made under the direction of the present administration, to find foreign markets for American farm products, have not supplied the free trade party with encouraging reports from Germany.

The following table shows the countries which supply Germany with wheat and rye. The insignificant position occupied by the United States, when compared with other countries, especially Russia, the fact that the American farmer is met with competition from so many sources when he enters the German market, should be considered in weighing the indefinite and loose talk of free traders about foreign markets for American farm produce.

IMPORTS OF WHEAT AND RYE INTO GERMANY FROM VARIOUS COUNTRIES
IN 1891.

COUNTRIES.	Wheat, 1891. Bushels.	Rye, 1891. Bushels.
Belgium, ...	1,380,405	543,297
Bulgaria, ...	43,063	130,212
Netherlands, ...	1,015,254	692,874
Austria-Hungary, ...	2,750,779	1,426,731
Roumania, ...	1,568,416	853,765
Servia, ...	242,668	62,453
Russia, ...	18,856,759	22,654,506
Turkey, ...	88,670	1,081,072
British India, ...	882,319	232,984
Argentine Republic and Patagonia, ...	453,722	
Brazil, ...	49,303	
British North America, ...	46,427	
Chile, ...	272,995	
United States, ...	5,253,531	2,354,371
Australia, ...	97,700	
France, ...		668,671
All other countries, ...	131,313	126,804
Total, ...	33,133,324	30,827,740

It will be observed that the larger portion of this supply is received from European countries. When compared with the home production it will be found that the German people are almost self-sustaining in agricultural products. Mr. Mulhall shows that in the value of the principal grain productions of \$2,110,000,000 in 1888, Germany stood fourth among the nations of the world, being exceeded only by the United States, Russia and France. As a wheat producing country she also occupies the fifth place, raising 104,000,000 bushels. On the same basis of home production and the import of 33,000,000 bushels, the population of 49,000,000 consumed 67-100 of one bushel per head of foreign growth. The statistics of the production of rye are not given separately by Mr. Mulhall for 1888; but in the year 1884 it appears that Germany stood second among the rye producing countries, exceeded only by Russia. Her crop that year was 220,000,000 bushels. In 1888 her yield of barley was

Germany affords but a small market for foreign food products.

97,000,000 bushels, placing her third in the order of nations, excelled only by Russia and Austria. She also stood fifth among the nations in her oat crop, it being 246,000,000 bushels.

The country is almost self-supplying in its consumption of meats. In 1887¹ there were produced 710,000 tons of beef; 210,000 tons of mutton; 455,000 tons of pork, making a total of 1,375,000 tons, while the total consumption was 1,385,000 tons, or only 10,000 tons in excess of the home supply. The production of meat increased from 900,000 tons in 1840, to 1,375,000 in 1887. With this large domestic supply there is certainly a very limited market in the Empire for American meat, and what there is must be divided with other countries which are competitors with the United States. In 1887 the exports of beef, mutton and pork combined from the United States was 610,000 tons, while Australia exported 880,000 tons, and the River Platte 1,770,000 tons. The German people are not by any means small consumers of food products. In 1887 they stood third, excelled only by Russia and the United States in the consumption of grain; fourth in the consumption of meat; fourth in the consumption of butter and cheese; third in the consumption of sugar; first in the consumption of potatoes; and second in the consumption of tea and coffee.

*Exports
of food
products.*

The reader should examine the exports of farm produce from Germany to England, in the table showing the imports of agricultural produce into the United Kingdom and the countries from which it is received. It will appear that in 1894 Germany exported to the United Kingdom:

Wheat, bushels, ...	1,334,746	Sugar, unrefined, pounds, . . .	564,863,376
Barley, bushels, ...	1,973,832	Sugar, refined, pounds, . . .	962,692,528
Oats, bushels, ...	2,001,312	Sugar, glucose, solid and	
Wheat flour :		liquid, pounds, ...	11,118,576
Corn Meal, pounds, ...	27,825,846	Sugar molasses, pounds, . . .	2,240,224
Peas and beans, pounds, . . .	47,827,560	Tallow and stearine, pounds, .	4,535,776
Butter and butterine, pounds, .	15,428,560	Hops, pounds, ...	1,349,936
Oleomargarine, pounds, . . .	2,246,944	Lard, pounds, ...	9,162,966
Eggs (great hundred), ...	3,361,188	Wool, pounds, ...	2,128,786
Honey, pounds, ...	107,520	Hemp, pounds, ...	21,521,920
Fruit, cherries, plums, etc.,		Hides, pounds, ...	7,847,952
bushels, ...	353,510	Feathers, pounds, ...	866,139

*Difficulty
of compet-
ing with
the German
producers.*

With the encouragement, through protection, which agriculture is receiving in Germany it cannot be regarded as a very extensive market for American farm products, or for those of any other country. The share which American farmers might be able to supply is yearly being diminished by the development of agriculture in South America, Australia and especially in Eastern Europe and Russia. This is one of those invisible "markets of the world" for farm products, which the free traders of the United States have said so much about in recent years and which they

¹ Mulhall's Dictionary of Statistics, p. 284.

have failed to locate. The German people have not only brought the soil to a high state of cultivation, but they have adopted the use of machinery and all modern methods of tillage, although labor is so cheap that hand-workmanship is still carried on to a much greater extent than in the United States. We are informed by United States consuls that the market for American agricultural implements and machinery is yearly diminishing, not because they are going back to the old methods of cultivation, but because German mechanics and manufacturers are imitating American inventions and engaging extensively in its manufacture. Consul-General Brewer in his report from Berlin, May 23, 1884, said :

There is another important question which must not be overlooked, and that is the wonderful genius of the German mechanics for imitating the works of others, which is so perceptible in the case of sewing-machines which were invented by citizens of our country. The number of these machines that are manufactured in Berlin is very great, and stores are filled with the Wheeler & Wilson, the Singer and other machines well known, and first made in America. These machines, of course, are made here, and with their cheap labor no American manufacturer can compete with the manufacturer here. The American horse-rake, grain drill, and reaper and mower, with slight changes, manufactured here, are supplying the place of those manufactured by the original inventor in the United States. Will not this be the case with other of our machinery when placed upon the markets here? However much we may wish to extend our trade into Germany, we cannot refrain from considering this question. It is quite impossible for consuls to say what machinery or production from our country would find a market here. We see in some stores American goods, but as to what extent they are sold in Germany we are unable to tell only as we gather the information from statistics furnished by our government showing the exports of such goods to Germany.

As Germany is now unquestionably exporting agricultural machinery to Russia, Africa, South America, etc., business experience should tell us the place to compete with German manufacturers is in those countries, rather than within their own Empire.

There was much more agricultural machinery imported into Germany twenty years ago, in my opinion, than at the present time, for Germany during that time has made a very great advancement in the invention and manufacturing of mechanical and industrial appliances, until at the present time a very large proportion of farming machinery used in the Empire is manufactured within its own limits, and at the same time she is exporting agricultural machinery to quite an extent to Russia, Bohemia, Northern Africa, South America, etc.

Home production of agricultural machinery.

As I have said, much advancement has been made in Germany in the manufacture of agricultural machinery. At the present time very extensive establishments for the manufacture of such machinery exist at Berlin, Magdeburg, Mayence, Leipsic, etc. The one at Leipsic in 1882 employed 575 men, and in 1883, 780 men. In 1882 it is reported to have turned out 16,351 grain drills and 2333 reapers and mowers, and much other machinery for the use of the farm.

The establishment of "H. F. Eckert," an incorporated company at Berlin, engaged in the manufacture of agricultural machinery, I have just visited, and by the courtesy of the manager was shown through the establishment. This company has, as I was informed, some nine hundred men in its employ. It manufactures wagons, thrashing machines, clover mills, fanning mills, machinery for cutting and preparing beets for sugar making, cutting boxes, stills for making whisky from potatoes, horse-rakes and plows, the latter upon a large scale and of various kinds. I was informed that the

company was then filling an order from South America for 400 plows, and was shown some of the plows intended for that country.¹

Another fact to be considered is the German tariff, which in 1879 imposed duties on agricultural machinery, viz.: if of wood the duty is 71 cents per 220 pounds; same if of cast iron; if of wrought iron the duty is \$1.19 per 220 pounds; if of other, not precious metals, the duty is \$1.90 per 220 pounds. Hay and manure forks pay a duty of \$2.30 per 220 pounds.

*Sugar
industry.*

By a system of protection extended through duties on imports and bounties given to producers, the production of sugar from beets has become one of the most important agricultural industries of the country. Here is an example of the establishment, under protection, of an industry that could not have been planted on German soil and built up against the competition of cane sugar producers of tropical regions, excepting by protection. Contrary to the reasoning of all free trade economists the Germans, through years of experiments and practice, are not only supplying their own market, but have become one of the chief exporting nations of the world. The effort on the part of the protectionists in the United States to imitate the example set by the Continent of Europe in the establishment of this industry by giving bounties to producers furnished one of the chief grounds for attack on the McKinley bill. The subject is of such importance to the American people that the writer has incorporated the following extracts from a report by United States Consul William D. Wamer, to the State Department, showing the growth of the industry in Germany since 1872, together with the system of taxation and payment of bounties which is practiced :

The number of factories in operation in the Rhineland, which embraces this consular district, during the year 1890-91 was eleven, out of a total of four hundred and one for the whole of Germany during the previous year. . . . The production of raw sugar in Germany rose from 186,442 tons during the year 1871-72 to a trifle over 1,000,000 tons in the year 1890-91. In 1871-72 it took 12 kilograms of beets to produce 1 kilogram of sugar, while in 1889-90 it required only 8.09 kilograms to produce 1 kilogram of raw sugar.

IMPORTS.

Imports.

The quantity of sugar imported during the year into the Rhineland was 298 tons of refined sugar, 65 tons of raw sugar, and 30 tons of molasses.

Table showing the imports of sugar into Germany during the last decade.

YEARS.	Imports.	YEARS.	Imports.
	<i>Tons.</i>		<i>Tons.</i>
1880-81	5,607	1885-86	5,774
1881-82	5,733	1886-87	4,678
1882-83	6,601	1887-88	7,282
1883-84	5,376	1888-89	3,924
1884-85	5,303	1889-90	3,742

¹ United States Consular Report, No. 48, December, 1884, pp. 501, 502 and 503.

EXPORTS.

Table showing the exports of raw sugar, candies, and other hard sugar.

Exports.

YEARS.	Raw sugar.	Candies.	Other hard sugar.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1876-77	46,218	7,393	4,342
1877-78	71,201	14,001	8,341
1878-79	103,471	19,356	11,396
1879-80	95,161	25,236	9,705
1880-81	221,442	35,378	20,681
1881-82	253,931	39,916	14,413
1882-83	390,702	49,381	24,218
1883-84	491,176	64,246	29,867
1884-85	553,793	76,015	31,885
1885-86	404,071	66,019	20,568
1886-87	489,680	130,378	23,882
1887-88	344,710	132,212	20,743
1888-89	412,424	164,151	15,650
1889-90	493,830	215,736	9,419

NEW SUGAR LAW.

Law of
1892.

A new imperial law regarding the taxation of sugar was issued last May, which will go into effect on the first of August, 1892.

The new law does away with the so-called material or weight tax on the raw beets and raises the consumption tax from 12 marks to 18 marks per 100 kilograms, net, of prepared sugar. The import duty on hard and "fluid" sugar of all classes is placed at 36 marks per 100 kilograms. Foreign sugar imported under official control for further manufacture by the sugar factories will pay only the consumption tax of 18 marks per 100 kilograms.

Under the new law a bounty is granted on export sugar for a certain number of years, namely, from August 1, 1892, to July 31, 1895, that is, sugar that has been prepared during that period, as follows, on every 100 kilograms for export, provided that amount in any case is not less than 500 kilograms:

	Marks.
Class 1—Raw sugar containing at least 90 per cent of sugar, and refined sugar under 98 per cent and not less than 90 per cent of sugar, ...	1.25
Class 2—Sugar candy and sugar in hard, white loaves, in blocks, bars, cubes, or which has been made small in the presence of the revenue officials, so-called crystals and other hard, white, cut sugar in crystal form, containing at least 99½ per cent of sugar, ...	2.00
Class 3—All other hard sugar, also all dry white sugar (containing not over 1 per cent of water) in crystal, crumb, or flake form of at least 98 per cent of sugar, in so far as the same does not come under Class 2, ...	1.65

From the first of August, 1895, to the thirty-first of July, 1897, it is as follows on every 100 kilograms for export:

	Marks.
Under Class 1, ...	1.00
Under Class 2, ...	1.75
Under Class 3, ...	1.40 ¹

In investigating the causes of the decline of British trade, the Royal Commission heretofore referred to, caused reports to be made by their consuls and representatives upon the industries of the German Empire.

¹United States Consul's Report, No. 137, February, 1892.

*Industrial
growth
under pro-
tection.*

The reports upon the conditions as found in 1885 disclosed the fact that a marked improvement and expansion of German manufactures was taking place under the influence of protection; that the home market was not only being almost wholly supplied with domestic wares which had largely been purchased in England prior to the adoption of protection; but that as industries were established in Germany and production extended to a greater variety of commodities, British goods were steadily displaced by those made at home; hence, a decline in imports of manufactured goods had taken place; while on the other hand, the Germans were not only largely supplying their home market, but were becoming exporters of competing commodities, not only to those foreign countries which had hitherto been supplied from British factories, but to the United Kingdom itself. The industrial changes which were being brought about by the rise of industries in Germany under protection, presented the most alarming feature of foreign competition which came to the notice of the commission. The ability of the Germans successfully to compete with English manufacturers in neutral markets, the constantly increasing surplus which they were sending abroad each year, is making it more impossible for the United States to enter the field of competition for a share of the world's markets. The reports of the British Consuls are so important upon this subject, that the writer has given below numerous extracts from them.

As to the general condition of the country, Consul Charles Scott, in transmitting the reports from the several districts, said:

The producing and consuming power of the country is reported to have increased enormously in the last fifteen years, not to say twenty years; "business" in the district of the Consul-General at Berlin, which includes, in addition to the capital, the important centres of Halle and Magdeburg, is brisk and extending satisfactorily. In Westphalia and Rhenish provinces Mr. Mulvany is able to report, "a steady and marked progress in the quality if not in quantity of products turned out, and the producers, in spite of low profits, are steadily pushing them into the markets of the world, prepared to reap any advantage from the rise of prices; and trade in this district is described as sound and healthy." From Hamburg Mr. Dundas reports that "trade of that port has been in recent years greatly improved and extended." The condition of Frankfort, Mr. Oppenheimer tells us, is "fairly good and no retrograde movement observable." Nor, according to Mr. Reid, is there "generally speaking any depression of trade in the district of Stettin and Swinemunde; it is true that certain branches have lost their former importance, but since 1881 the imports, and especially the exports, have steadily increased, and with the exception of the shipping interests, every branch of trade is in a most flourishing condition; the town itself is rapidly extending and labor is well paid." In proof of this description he gives figures showing the increase of private capital tax for income, of deposits in savings banks, and dividends of joint stock companies.¹

It is an important fact that during a period when business was regarded as brisk, when markets were extending and general improvements were taking place under protection in Germany, as shown by the reports of official representatives to the Royal Commission, the evidence

¹ Royal Commission on Depression of Trade and Industry, Second Report, Part II., p. 159.

of manufacturers, merchants, business men and government officials proved that the very reverse was true of the United Kingdom under free trade. The causes which contributed to these opposite conditions could not be found in those influences which, apart from the tariff policies of the two countries, were operating upon the trade of all nations. The only complaint of adverse conditions which appeared in the reports to the commission, to be operating against prosperity in Germany, arose from over-production, and this seems not to have gone beyond a limitation of profits of producers of raw materials. Good prices and profits were being enjoyed generally by manufacturers of finished products, and increased rewards were being received by labor. The fact that the productive capacity of the nation had become so augmented that a large surplus was seeking buyers in foreign markets, is one that should be understood by the people of the United States before they abandon their own home market and enter the field of universal competition. Mr. Mulvany regarded the fall in prices as having been occasioned by increased competition and reduced cost of production. He says: "The very fact that Germany is able to place in foreign markets articles of the same description as those she formerly drew from those foreign countries, is sufficient to create an impression of over-production which may not really exist."

It would appear from this that it was the opinion of the Consul that so long as Germany was able to force her wares into foreign markets by underselling British rivals, although an abundance was being produced and sold at low prices, yet it could not be said that as a people they were suffering from over-production. The changes which have been brought about during recent years, in the decline in the imports of manufactured goods, especially from Great Britain, and the increase in the export of domestic manufactures, both to the United Kingdom and to other countries, was an indication of the growth and expansion of productive industries which was very satisfactory.

*Extension
of trade.*

Mr. Scott in reviewing the several reports from the consular districts, upon the effect which increased production in Germany is having on British trade, said:

Mr. Dundas also shows that in regard to extension of trade Germany has been gaining an advantage over us in proportion of ten to one. The next figures are from the Berlin report. Mr. Bleichroder has taken the total Hamburg entries, including, I presume, those by land, and shows that these have increased in the last twenty years from 1,600,000 tons to 6,000,000 tons in volume, and £32,508,588 to £111,498,337 in value, while the imports from Great Britain have increased in the same period from 616,713 tons to 1,615,096 tons, and £9,999,322 to £22,056,152, and that the proportion of British to total imports has decreased from 32 per cent to 23 per cent in volume, and from 29 per cent to 19 per cent in value.

*Decline
of British
trade with
Germany.*

At Stettin the proportion of British in the total imports of that port has declined from 45 per cent to 38 per cent, and the proportion of British in total

exports from 25 per cent to 19.95 per cent. With regard to these last figures we find that the chief decline in British imports has taken place in coal and chemical products, while the proportion of iron has increased; that in the exports grain has decreased enormously, and sugar has largely increased.

From Dusseldorf we learn that British imports into that district have decreased, and exports to Great Britain largely increased, and that native producers now almost exclusively supply the home market with articles formerly imported from Great Britain, and that they have meanwhile created many new exports in the last fifteen years.

From Frankfort it is reported that British imports of raw material have been increasing within the last five years, but those of manufactured goods decreasing.

The statistics supplied from Königsberg show a slight increase in volume but a decrease in value of colonial goods imported from the United Kingdom in the last twenty years, a decrease especially in value of metal imports, and a large decrease both in volume and value of textile imports, while mineral and mineral products are being imported in largely increasing volume and value.

The most marked feature in the decline of British trade with this country would appear from all the reports to be the displacement in German markets of British by native products; this has been notoriously the case in the iron, chemical, and textile branches of trade, and has evidently been accomplished by native producers working with native capital.

With the exception of one instance cited by Mr. Mulvany, that of rolled iron girders now imported from Belgium in his district in preference to England, I can find no trace of any diversion of British trade with Germany to any other foreign country.

British agricultural machinery, gas and boiler tubes, household articles, such as kitchen utensils, tinned pails and baths, are being rapidly displaced by German in the Berlin district, but tin plates from England are still in great demand for the manufacture of packing cases.

We also hear of a similar displacement of British coke and cement, but not of slates, and in the textile branch of half and intermediate products, the lower numbers of single yarns and of doubles below No. 32, while the finer numbers of yarns and sewing thread, and finished goods, such as superior woolen cloths, meltons, diagonals, etc., continue to maintain their former position, as also certain woolen and cotton fabrics for completion by printing or dyeing in Germany, and certain descriptions of carpets.

In the chemical industry, British raw materials, acids, and especially soda, seem to have been nearly entirely replaced by native products, and the Scotch monopoly in chromate of potash is said to have been broken by native establishments drawing their supplies from Russian and American beds, thus steadying and reducing the price of this commodity in the German market.

Mr. Bleichroder, Mr. Oppenheimer and Mr. Dundas give us several instances of new establishments in the districts of Berlin, Frankfort and Hamburg, producing articles formerly imported from England, such as factories for linoleum, jute and cloth, and in the case of Hamburg, British firms and capital seem to have been to a certain extent engaged in them, as according to Mr. Dundas, the British manufacturer, by transplanting his capital and working material to this country, has been able, as in case of the linoleum factory of Dehnenhorst, to effect a saving of 45 per cent in supplying the German market and finds the cost of production in this country about two-thirds less than in England. In the neighborhood of Berlin establishments for the manufacture of so-called English goods, waterproof stuffs, etc., have driven the English article out of the field, and the same appears to be the case to a great extent, with the manufacture of so-called "mungo" goods for the hat trade.

Home production of what was formerly imported.

In Frankfort, many of the articles formerly imported from Bradford, Manchester, Birmingham and Sheffield are now turned out by new German establishments, and have so completely displaced their British rivals that the former English warehouses for the retail of these goods are rapidly disappearing.

The Dusseldorf district, we learn, now manufactures cutlery of so superior a kind that it is being largely exported to England and re-exported thence to America with English marks.

In the textile branch, I am informed, several English firms have set up branch establishments with English capital in this district and in Silesia and the Rhine provinces. The following names of such firms have been given me: Messrs. Oldroyd & Blackley, at Gruneberg; Messrs. Ch. Blackburne, at Copenick; Messrs. Naylor & Co., at Wittenburg; Messrs. Berendsen & Oldroyd, at Sagan; Messrs. Bass, Hudson, Son & Co., at Berlin; Messrs. Crossley, at Berlin.

The British producer is still quite able to hold his own, as we have just seen, in these markets with many superior articles in all branches of industry; but he should aim at still greater perfection of these goods if he is to continue to keep ahead of the rapid improvement which is taking place in German manufacture.

On the other hand I fear that in many other articles, such as shoddy, jute, and some Birmingham, Sheffield, and Bradford articles, their displacement by native products has been so effective that there is little hope now of reversing their present position in these markets, and a more profitable commercial interchange might be effected were we to endeavor to confine our chief supply to those articles which have not yet been outstripped in competition by German articles of a similar description.

If we are prepared to admit that native industry and power of competition have been stimulated by protection against foreign imports of a similar description to staple German products, we must, I presume, with the present majority in this country, be equally prepared to enumerate the new customs tariff among the State aids.

The reports of Consuls from the various districts which gave more detailed information upon the subject, were as follows:

Mr. Dundas, reporting from Hamburg district, said:

*New manu-
factories in
Germany.*

High protective tariffs undoubtedly constitute the great impediment to the extension of our trade. From this, the root, spring other impediments, such as the not unfrequently arbitrary and unfair manner in which the various classifications of the tariff are constructed, by which goods which should properly come under a class paying a comparatively low rate of duty are, by being brought under another and higher class, made to pay a much higher rate, thus effectually raising an insurmountable impediment to competition with native goods.

British cement in one part of this district has been entirely supplanted by native manufacture. The decrease in the importation of this article commenced about the year 1878, in which year the amount was about 40,000 casks. This declined in the next five years down to 8000 casks, since which date it has ceased to be of any appreciable extent. A transfer of trade with Great Britain may also be said to have taken place by the increased facilities of communication with other countries by means of the establishment of direct regular lines of steam vessels through which the direct importation of raw produce has been effected, thus diminishing the indirect shipments of such goods through British ports. This kind of "transfer of trade" is in future likely to increase with the establishment of new lines of steamers to transatlantic countries.

Factories for jute, linoleum and cloth, articles formerly almost exclusively imported from Great Britain, have been established in this district by both British and German capital.

By establishing a factory on this side a saving of 45 per cent can be effected, while the cost of production is about two-thirds less than in England. In the linoleum factory at Deinenhorst, British capital is invested to a considerable extent. Portland cement is made in several factories founded by German subjects with German capital on the banks of the Elbe, almost entirely supplanting the British production of this manufacture.¹

Mr. Oppenheimer, Her Majesty's Consul-General at Frankfort, said:

Noteworthy establishments have arisen in the southwest and west of Germany, and an increase has taken place in the production of certain articles formerly bought in England. The following may be mentioned as examples:

1. The chemical industry, particularly aniline and alizarine dyes, which seem to have been brought to a greater state of perfection than in England.
2. The textile industry (jute and shoddy stuffs), which through the high tariff has ousted the English market.²

Mr. Mulvany, Her Majesty's Consul at Dusseldorf, said:

These provinces not only now supply their own requirements and the requirements of Germany with products and manufactures, which some few years ago were imported from England or elsewhere, but export these very products and manufactures not only to the markets of the world in competition with England, but to England itself. These are well-known facts to the merchants and manufacturers of both countries, which may be difficult to prove through the labyrinth of statistics, especially as its exports and imports to and from England pass through other countries, Belgium, Holland, or France, but they are notorious facts which go beyond a doubt to show the turn of the tide. Quantity has after all not so much to do with the depression; the mere offering of goods as products for sale, say in England, which were formerly only exported from that country, must cause a depression of prices out of all proportion to the quantity offered for sale.

With reference to the progress in trade and industry of Germany, the following translation of the remarks published by the secretary of a great and influential association for the promotion and protection of the industrial interests of the Rhenish and Westphalian provinces, may be of interest. He writes:

"As one now reads frequently, even in foreign newspapers, that wherever there is a suitable place in the market of the world, Germans are to be found, who prosper and advance in consequence of their acknowledged good capabilities, we must therefore assume that the Germans are not inferior to the American or English in initiative experience, or as practical men. We especially arrive at this favorable conclusion when we consider that the Germans have only within a comparatively short time enjoyed abroad that support which a powerful 'Vaterland' gives its sons, an advantage which especially Englishmen have enjoyed for centuries in the most favorable manner imaginable."

It will be observed that in the above remarks, which are a sign of the times, that the American is placed before the Englishman, which is proof that the Germans look upon America as a more formidable mercantile power than England, and now even in England as well as here, we look to any improvement in America as opening out a prospect of a better state of things in Europe; *does not this look*

¹ Royal Commission, Second Report, Part II., p. 168. ² Royal Commission, Second Report, Part II., p. 169.

Great
Britain
outstripped
by Ger-
many.

very much as if Great Britain were being left behind in the great mercantile race of the world, and does not it suggest we should look at home for the cause of this loss of ground ?

There again are notorious facts which require no figures to prove, and whilst we are occupied in studying endless volumes of figures and statistics, this tremendous revolution in trade and commerce threatens to sweep away the old familiar landmarks of industry.

This centre of industry is but young in the industrial world, and has been established *with all the advantages of improved science and means of communication*, based upon the past experience gained in England, with a great home market and adjoining countries to supply; so that with low railway and water freights, and moderate protective duties, it is only as yet necessary here to look to an over sea export trade as a means of selling a comparatively small surplus quantity not required for the home market.

Still, owing to the wise policy of the government in giving up the experiments of free trade and the anomaly of increased railway freights in connection therewith, and also owing to the purchase and management of the railways by the State, the material welfare of the working classes, especially in this district, within the last fifteen or twenty years, has improved immensely, and I think I am quite safe in saying that the national wealth of the country at large has decidedly increased, so that it can no longer be said with truth that Germany is a "poor country."

Great industrial progress.

It is to be feared that British coal-owners, ironmasters, and manufacturers have been a little too self-confident in their superiority, have been resting on their well-earned laurels, and relying on this prestige have not sufficiently informed themselves as to the progress being made by their neighbors, who are now able to produce better wares and articles in many branches of industry than are produced in England; for instance, rolled iron girders of certain dimensions used in England for building and other purposes are supplied almost entirely by Belgium; there are certain classes of plate iron and cast steel made in this country which English manufacturers and engine builders have informed me are superior to any made in England, and for ship building purposes the German plate steel and iron is preferred to English; in Germany, at least at Stettin and Kiel, higher prices are charged and paid for vessels built with German than with English plates; on the other hand, the English and Scotch cast iron is still superior to German. I remember the time when we found it cheaper and better to get all the engines, machinery, pumps, cast-iron tubing, etc., etc., which we required for the Hibernia, Shamrock and Erin Collieries in Westphalia, from England; at present even English people here would not dream of importing heavy machinery or castings from any country into Germany, not merely on account of the German import duty, but because the machinery produced here is of quite as good a quality and at as cheap a price as in England.

German cutlery is largely exported, a good deal of it to England, from whence it is again exported as English; English merchants purchase, for instance, cutlery in Solingen, not far from Dusseldorf, for export to America, where possibly, being stamped with an English name, it passes for English ware.

In Westphalia, class for class, there is coal equal to the best English, and were my father's idea of the seaworthy river steamers carried out to the extent he proposed, there is no reason why Westphalian coal should not be supplied to London; it is a mere matter of freights; were the Rhine-Elbe Canal constructed and of proper dimensions, Westphalian coal could be exported to England and Ireland with advantage.

Notwithstanding the enormous increase of production of coal in the Dortmund district from 1858 to 1884, it appears to me absurd to talk of over-production here

so long as English coal is, as at present, imported into Germany, even up to Berlin. The simple fact is the Germans have not yet gone far enough in the reduction of freights, and have not constructed the necessary main canals so as to get water freights.

The production of coal in the Dortmund district was:

Year.	Production. Tons.	Value. Marks.	Number of Workmen.
1858 .	4,023,427	34,293,627	31,455
1884 . .	23,403,258	134,959,768	100,953

The production of coal in the Saarbrücken district where the coal mines are the property of, and worked by, the State, was:

In the year 1858 .	. . 1,815,309 tons.
In the year 1884 .	. . 5,873,235 tons.

Answers supplied to Mr. Scott by an English gentleman, established in a large business in Berlin:

1. The rate of wages for skilled and unskilled labor in the Berlin district is 15 to 25 per cent above the average of the last twenty years. This increase has been caused, owing to the Germans, in consequence of late successful wars, having come to a sense of their own importance.

2. The quantity of work produced is greater.

3. The quality of work is a great deal better in every branch of trade.

4. The specific rate of wages in the Berlin district is as follows:

For skilled labor	. . 30 to 50 pfg. per hour.
For unskilled labor	. . 20 to 25 pfg. per hour.

Rhine Provinces:

For skilled labor	. . 25 to 35 pfg. per hour.
For unskilled labor	. . 18 to 20 pfg. per hour.

Breslau:

For skilled labor	. . 30 to 45 pfg. per hour.
For unskilled labor	. . 15 to 20 pfg. per hour.

5. The hours of labor average ten to eleven daily.

6. A steady decrease in the importation of goods from Great Britain has taken place in the last twenty years. This is occasioned by the difficult position in which purchasers here are often placed, owing to the combination of trades unions in England and the strikes, which so frequently occur, rendering it impossible for such buyers to obtain the goods they require.

German purchasers have, therefore, been necessarily compelled to open manufacturing here, owing to the cheapness of labor, the steadiness and sobriety of German workmen. English manufacturers, after the strikes are over, are unable to recover lost ground.¹

Bavaria.

The report of H. D. Macdonell shows a decline in the imports from Great Britain to Bavaria, of various articles of manufactures, caused by home production and supplies from various parts of the German Empire, of agricultural implements and machinery in general. He says:

Bavarian factories have of late, however, devoted considerable attention to the construction of every part of agricultural machines, and traction engines, etc., for

¹ Royal Commission, Second Report, Part II., p. 169.

which there is considerable demand, and a fair amount of success appears to attend the new branch of industry. The importation of railway locomotives has altogether ceased.

Saxon and Swiss firms are using every endeavor to supplant England in the supply of spinning machines, and their efforts have been partially successful.¹

With reference to cotton yarns, after describing the establishment of mills in various parts of the country, the utilization of water-power, the attraction of labor from agriculture to this industry, and the employment from England of the services of spinning masters and skilled workmen, he says:

After passing through the severe commercial crisis caused by the American war, this trade suffered greatly in 1870, in consequence of a reduction of foreign yarns, the more so as this duty was levied by weight and not *ad valorem*, thus the importation of English yarns increased to such an extent as to check altogether the spinning of high numbers, and manufacturers had to fall back twelve numbers in fineness—English system. The incorporation of Alsace-Lorraine, by which the production was at once doubled, led to the passing of higher protective duties, and from that time the import has declined, while the home production has correspondingly increased, and the manufacture has again risen eight numbers in fineness.

The struggle of the home industry against the English spinners has been going on for a long period. During the last few years it has become a general complaint that the over-production in Great Britain causes heavy quantities of yarns to be thrown upon the German market at short intervals, which are sold at ruinously small prices; this will account for the slight augmentation in imports, but the spinning trade of the country does not appear to have been thereby materially affected.

Up to the year 1879 large quantities of lace were imported from England. "But," says Mr. Macdonell, "the increase of duties to five times its former rate and the establishment of lace factories in Bavaria itself have, of necessity, materially diminished the supply from Great Britain."

The production of pig iron, steel ware, sewing machines and many other articles underwent the same change. Another fact disclosed by this report is the increase of direct trade which is springing up between Bavaria and countries other than Great Britain, in the purchase of raw materials, which formerly passed through the hands of the British. Growth is also shown in the production, in Bavaria, and in the export of a great variety of manufactured articles, besides great improvements in agriculture and especially in the dairy products, which are being largely exported. In speaking of the general effect of protection on the industrial life of the country, Mr. Macdonell further says:

So long as Bavaria remained almost exclusively an agricultural country, there was a larger supply of capital than was required at that period, consequently the first State loans were effected at par, or at a slight premium, with interest ranging from 2 to 3½ per cent. Later on, however, when capital became necessary to establish and develop the manufactures, the disposable amount was found to have diminished to such an extent that the average rate of interest rose to 5 and 6 per cent. The rapid development of Bavarian industry, however, proved of immense value, not

*Beneficial
effects of
protection
in Bavaria.*

¹ Royal Commission, Third Report, p. 438.

only to the country itself, but also to enhance the material advantages which Germany derived from the war of 1870-71, and led to a complete change in the financial condition of the country. The interest, for instance, on the whole of the national debt, and for nearly all the municipal loans issued at $4\frac{1}{2}$ and 5 per cent, could without difficulty have been and was reduced to 4 per cent. It may be fairly concluded that at the present moment very little capital is required, and the supply would fully meet any reasonable call.

The wages of farm and ordinary laborers have increased in proportion to the higher prices now paid for the necessities of life, compared with the period when Bavaria first began to give her attention to trade and industry.

The chief impediments to the extension of commercial relations between Bavaria and Great Britain are, firstly, the high freights charged upon all articles of trade; and secondly, the increasing duties upon goods imported into Germany, and which duties are unmistakably intended to hamper the introduction of English products.

The only adequate measure which can be used to counteract the action of the German Government would be the adoption of the policy it now vigorously carries out, *i. e.*, to extend an adequate amount of protection against the importation of German goods, which, if not checked, bids fair to prove highly prejudicial to British trade.

It may be further observed that the development of Bavarian industries has in a great measure rendered the country independent of foreign supplies, especially as regards textile fabrics, iron, steel, and colors, and the trade from Great Britain in these goods has decidedly diminished. This decline cannot be attributed to a reduced capacity for supply on the part of England, but British firms have of late taken less interest in the introduction of new branches of trade, and have, perhaps, also shown themselves less scrupulous in the quality they supply. There are, moreover a considerable number of Germans, who by long residence in England or in her colonies, have acquired not only steady and business-like habits, but also such knowledge and experience of our commercial requirements, as enable them to carry on a large export trade in the British possessions.

*Wages and
employment
of labor.*

Although a densely populated country, with the labor market already overcrowded, wages have not only advanced, but increased employment has been given since protection was established. The greatest improvement in the material condition of the masses of the German people has occurred since the formation of the Zollverein. Wages not only advanced as factories were built, but the overcrowded rural population was relieved and found an outlet, as the cities and industrial centres grew. Protection gave to Germany not only a diversity of industries, but a diversity of employments, and greatly increased the opportunities for the people to get work. It would seem that such industrial expansion was absolutely necessary in a nation like Germany, having a superabundance of labor. To utilize the laborers and turn them to the best advantage to themselves and to the nation, was a part of the economic policy of List and Bismarck. The protectionists of Germany saw how unwise it would be to leave the coal and iron mines unworked, and the natural resources of the country undeveloped, when under the stimulus and encouragement which might be given to capital and labor, they would burn German instead of British coal, work up their own iron, supply their home market and make

Germany a busy, rich and prosperous country. If the benefits to be derived from the policy of protection should be measured alone by the increased employment, advance in wages and general improvements which have been brought about to the laborers of Germany, it would sufficiently justify the wisdom of the policy of protection. It is equally certain that even with the abundance of labor and the low wage rate which prevailed, the industrial progress which has taken place could not have been made under free trade. The capital of the country was almost wholly invested in occupations other than manufacturing. The people almost as a whole were engaged in farming. Large land-owners held the title to the soil, while the masses were rural laborers, living in a condition bordering on serfage. Capitalists could not be induced to embark in manufacturing in the face of the vigorous British competition that would be waged against them, especially when they would not only be compelled to become familiar with the processes of manufacturing themselves, but at the same time to educate and convert into artisans unskilled rural laborers. These were the difficulties which necessarily forced Germany to raise a barrier of protection to encourage and protect capital invested in manufacturing. This done, foreign rivals were gradually driven from the field, and as home industries made headway year by year, the expansion went on, and manufacturing was extended to the making of everything necessary to supply the German people. As new factories were built, more employment was given to labor. The encouragement and confidence inspired by protection, invited not only German, but English capital, still further to augment German industries. The result could only be a vast increase in the employment of labor, at better wages. Upon the question of larger employment and increased wages, we have the most reliable authority.

The reports of British Consuls to the Royal Commission of Trade and Industry in 1885, upon the condition of labor and rates of wages in Germany, furnish very interesting and reliable data upon this subject. The plan adopted by the Royal Commission for investigating the changes which had taken place in the wage rate of the United Kingdom during the period of twenty years, between 1864 and 1884, was extended to Germany. It is very interesting to note that the reports from Germany were, that an increase of wages had taken place during the time referred to. While this had universally occurred throughout the German Empire, in the majority of instances wages had fallen in England during the same time. But the most marked feature of the industrial question was disclosed by the fact that while increased employment was the result of protection in Germany, lack of employment occasioned to a great extent by the import of competing commodities, was the most serious injury which had befallen the laborers of England, through free trade.

Mr. Dundas reported from Hamburg that Professor Soetbeer had shown that between 1848-51 and 1879-85 wages had increased 98 per

cent, 80 per cent, and 85 per cent (alternately). The wages paid for road-building, to skilled labor, had increased in some instances 226 per cent. Speaking of the consular district which he represented (Hamburg) Mr. Dundas said: "In this district wages have presumably risen in the same proportion."

Mr. Oppenheimer, Consul-General at Frankfort, said: "The wages for skilled and unskilled labor are over the average of the last twenty years. The quantity as well as the quality of the work has similarly risen. The former through the introduction of machines, and the latter through the improved training which workmen have received."

Mr. Mulvany, in his consular report from Dusseldorf, said:

Production in the main branches of industry has continued steadily to increase, and with it the demand for skilled labor and rates of wages. So that in this district a good workman is sure to find employment, and even the common laborer earns 2s. 6d. (60 cents) a day. Higher class of workmen, 4s. to 5s. (96 cents to \$1.20) a day of ten hours. . . . The present rate of wages both for skilled and unskilled labor exceeds the average of the last twenty years.

From other districts the following reports were given:

*Rise of
wages.*

Offenbach Report.

"They are (wages), as regards unskilled labor, above the average of the last twenty years, whereas skilled, and especially good work, has commanded prices approaching the very highest hitherto paid."

Report from Worms.

"Wages for both skilled and unskilled labor are above the average of the last twenty years, and range between 2 and 2½ marks for unskilled labor, and between 2½ and 5 marks for skilled labor per day, consisting almost universally of ten hours."

Report from Mannheim.

"The rate of wages has risen above the average, being at present from 2 marks to 3.50 per day of ten working hours."

The general increase which was shown by the reports quoted in 1885 has continued until the present time. The report of Sir E. B. Malet to the Marquis of Salisbury, from Berlin, August 8, 1891,¹ upon the present state of the labor question in Germany, shows that the returns of the German factory inspectors for 1890 exhibit an increase in the number of hands employed. In the district of Oppeln, the number employed increased from 110,268 in 1886, to 139,406 in 1890; in the Kingdom of Saxony, from 321,629 in 1888, to 340,498 in 1889; in the Grand Duchy of Oldenburg, 10,253 in 1888, to 11,284 in 1889. The report says:

¹ Foreign Official Miscellaneous Series, 1891, No. 212.

"The increase of the work-people employed in the district of Berlin-Charlottenburg, amounted to 15,225, from 1889 to 1890. There now exist 5186 factories in the district, with a total of 159,505 hands."

The increase in Breslau and Liegnitz (Silesia) was 11 per cent from 1880 to 1890, or from 141,399 to 157,340. A similar increase occurred in the district of Mersburg and Erfurt, from 73,313 in 1888, to 92,136 in 1890. Mr. Malet says that the yearly increase in the work-people employed has been 5 per cent and that the number has risen from 4,500,000 in 1882, to 7,000,000 in 1890.

Upon the question of an advance in wages, Mr. Malet says:

During the year 1888-89 a general rise of wages took place in most of the German industrial districts. The report for the district of Potsdam-Frankfort-on-Oder, states that with the exception of the textile industries, a rise of 10 per cent to 25 per cent in wages was observed. In the district of Dusseldorf, the rise in many cases was over 15 per cent. In the district of Leipsic, the improvement is especially noticeable in the engineering trade, the average rate being 40 pf. to 45 pf. ($4\frac{3}{4}d.$ to $5\frac{1}{2}d.$) per hour, as against 27 pf. to 35 pf. in former years. In one engineering establishment, the average weekly wage, which three years ago was 20 marks (£1), has risen to from 23 to 25 marks (£1 5s.), and the prices paid for piece-work have increased to a corresponding extent.¹

On the following page is a table of wages paid in the district of Potsdam-Frankfort-on-Oder, for the years 1882 and 1889; copied from the report of Sir E. B. Malet, to the Marquis of Salisbury, August 8, 1891.

*Wages in
several
important
industries.*

We have further information upon this subject contained in the report on Germany, to the Royal Commission on Labor, in June 1893, by Mr. Geoffrey Drage, in which he says: "The wages for Germany have shown a great increase since 1850, in some cases as much as 60 per cent, and the cost of production has not sensibly increased."²

An economic policy under which such benefits can be achieved, even in a country where excessive competition prevailed among the laborers, cannot be overthrown by contentions based on theoretical and speculative reasoning. The results which have followed the adoption and practice of the policy of protection in Germany, as well as in all other countries where it has been tried, fully vindicate its wisdom, while proving the benefits which are to be derived from it.

Not only has the foreign trade of Germany greatly increased since the return to protection, but its character is being reversed. Instead of buying a large quantity of fully manufactured goods each year, she is buying less and has become an exporter of those wares and articles which were formerly purchased. The trading classes are now more largely dealing in and making their profits from goods made in home factories. The imports of cotton, wool, silk and other raw materials for home consumption is yearly increasing. The imports of yarns and partly manufactured goods are decreasing, because of home supply. The exports

*The for-
eign trade.*

¹ Page 7, Report. ² Foreign Reports, Vol. V., p. 57.

TABLE OF WAGES PAID IN THE DISTRICT OF POTSDAM-FRANKFORT-ON-ODER.

INDUSTRIES.	1882.		1889.	
	Weekly Earn-ings.		Weekly Earn-ings.	
	M. pf.	M. pf.	M. pf.	M. pf.
<i>I. Stone and Earth Industries:</i>				
Briquet makers, ...	9.60 to 13.50	\$2.31 to \$3.24	12.00 to 15.00	\$2.88 to \$3.60
Brickmakers, ...	13.50 to 15.00	3.24 to 3.60	15.00 to 24.00	3.60 to 5.76
Carters, ...	14.00 to 15.00	3.36 to 3.60	12.00 to 28.80	2.88 to 6.92
Laborers, ...	8.50 to 9.00	2.04 to 2.16	7.80 to 13.80	1.88 to 3.14
Glassblowers, ...	20.00 to 20.00	4.80 to 4.80	24.00 to 38.00	5.76 to 9.12
Assistants, ...	10.20 to 12.00	2.45 to 2.88	10.50 to 16.50	2.52 to 3.96
Tile carriers, ...	4.50 to 12.00	1.08 to 2.88	6.00 to 15.00	1.44 to 3.60
<i>II. Engineering trade:</i>				
Locksmiths, ...	15.60 to 21.30	3.75 to 5.11	13.00 to 33.00	3.12 to 7.92
Turners, ...	15.00 to 19.00	3.60 to 4.56	13.00 to 30.00	3.12 to 7.20
Blacksmiths, ...	16.80 to 17.70	4.04 to 4.25	16.80 to 27.00	4.04 to 6.48
Pattern makers, ...	18.00 to 19.20	4.32 to 4.61	15.00 to 33.00	3.60 to 7.92
Moulders and founders, .	17.70 to 18.60	4.25 to 4.47	15.60 to 30.00	3.75 to 7.20
Brassfounders, ...	9.00 to 9.50	2.16 to 2.28	12.60 to 25.80	3.03 to 6.20
Laborers, ...	9.00 to 9.50	2.16 to 2.28	10.00 to 18.00	2.40 to 4.32
<i>III. Woolen Industry:</i>				
(a) Male labor:				
Washers, ...	8.00 to 10.00	1.92 to 2.40	9.90 to 13.50	2.38 to 3.24
Spinners, ...	10.00 to 16.00	2.40 to 3.84	9.90 to 13.80	2.38 to 3.32
Carding boys, ...	6.00 to 8.00	1.44 to 1.92	4.80 to 7.20	2.36 to 1.73
Weavers, ...	12.00 to 14.00	2.88 to 3.36	10.80 to 15.00	2.60 to 3.60
Worsted weavers, ...	13.00 to 18.00	3.12 to 4.32	15.00 to 20.50	3.60 to 4.92
Fullers and dyers, ...	8.00 to 10.00	1.92 to 2.40	10.50 to 13.50	2.52 to 3.27
Laborers, ...	8.00 to 10.00	1.92 to 2.40	7.80 to 13.50	1.88 to 3.27
(b) Female labor:				
Wool sorters, ...	6.00 to 9.00	1.44 to 2.16	6.00 to 8.00	1.44 to 1.92
Carders, ...	6.00 to 9.00	1.44 to 2.16	7.50 to 11.00	1.83 to 2.64
Cloth shearers and stop- pers, ...	6.00 to 9.00	1.44 to 2.16	6.30 to 11.80	1.51 to 2.84
<i>IV. Hat-making trade:</i>				
Spinners, ...	6.00 to 10.80	1.44 to 2.60	11.40 to 13.20	2.74 to 3.17
Hand-felt makers, ...	9.00 to 19.50	2.16 to 4.68	15.60 to 18.80	3.75 to 4.52
Machine-felt makers, . .	13.20 to 15.00	3.17 to 3.60	13.20 to 15.60	3.17 to 3.75
Pumice stoners and spon- gers, ...	12.50 to 18.00	3.00 to 4.32	15.60 to 16.50	3.75 to 3.96
Sizers, ...	8.40 to 10.30	2.12 to 2.47	10.50 to 18.60	2.52 to 4.37
Pressers, ...	12.80 to 13.20	3.08 to 3.17	12.80 to 16.20	3.08 to 3.89
Trimmers, women, ...	4.50 to 19.00	1.08 to 4.56	4.50 to 19.50	1.08 to 4.68
<i>V. Paper-making trade:</i>				
Rag sorters, women, . .	3.60 to 9.00	.87 to 2.16	3.60 to 9.00	.87 to 2.16
Rag-engine hands, ...	8.40 to 10.50	.82 to 2.52	8.40 to 12.00	2.02 to 2.88
Hands at paper machine, .	6.30 to 15.00	1.51 to 3.60	8.40 to 16.80	2.02 to 4.04
Hands serving the paper machine, ...	8.70 to 12.00	2.09 to 2.88	10.50 to 13.00	2.52 to 3.12
Sorters, women, ...	2.40 to 6.60	.68 to 1.59	3.00 to 7.20	.72 to 1.73
Packers, ...	3.60 to 12.20	.87 to 2.93	5.40 to 13.80	1.30 to 3.52
<i>VI. Building trade:</i>				
Masons and bricklayers, .	12.00 to 15.00	2.88 to 3.60	16.00 to 25.00	3.84 to 6.00
Carpenters, ...	12.00 to 15.00	2.88 to 3.60	15.00 to 23.00	3.60 to 5.52
Laborers, ...	8.00 to 11.00	1.92 to 2.64	11.00 to 14.00	2.64 to 3.36
<i>VII. Wood Industry:</i>				
Saw mill hands, ...	12.00 to 14.00	2.88 to 3.36	12.00 to 20.80	2.88 to 5.00
Wood carvers, ...	12.00 to 18.00	2.88 to 4.32	17.50 to 26.00	4.20 to 6.24
Cabinet makers, ...	12.00 to 15.00	2.88 to 3.60	14.50 to 26.00	3.48 to 6.24
Polishers, ...	13.50 to 20.00	3.24 to 4.80	13.00 to 26.00	3.12 to 6.24 ¹

¹ Report on Present State of Labor Question in Germany, pp. 8 and 9.

have undergone a similar change; instead of sending out farm products and raw materials these are being more largely consumed at home, while the fully manufactured goods are being sold in increasing quantities in all parts of the world. Whitaker's Almanac for 1888 contains the following statement in regard to the trade of this country from 1875 to 1886:

The changes in the total value of exports and imports are, however, of comparatively small importance in comparison with the change which has taken place in the nature or the character of the trade carried on in Germany. The country, although long known for the excellence of certain of its manufactures, has until recently been an exporter of raw produce, rather than of manufactured goods. Such is no longer the case.

The imports of manufactured goods (including partly manufactured) rose from \$141,526,000 in 1872, to \$259,920,000 in 1886, or 83 per cent. This was made up largely of partly manufactured articles for use in home production. The imports of yarns rose from \$48,450,000 in 1872, to \$83,580,000 in 1886, or 72 per cent. The exports of fully manufactured articles show a remarkable increase, being \$210,450,000 in 1872 and \$540,890,000, in 1886, an increase of 157 per cent. In 1875 they formed only 36 per cent of the exports, while in 1886 they had risen to 75 per cent.

*Imports
and
exports.*

Deducting the imports from the exports, and considering simply the increase of exports over imports, some remarkable figures are exhibited, showing the expansion of domestic industries.

The following shows the percentage of net increase in exports of certain articles by quantities:

From 1875 to 1886 the exports of silk manufactures increased 884 per cent.

"	"	"	woolen	"	"	296	"
"	"	"	cotton	"	"	302	"
"	"	"	glass	"	"	264	"
"	"	"	paper	"	"	322	"
"	"	"	spirits	"	"	258	"
"	"	"	beer	"	"	446	"
"	"	"	machinery	"	"	260	"

The exports of machinery rose from 15,960 to 58,497 net tons, while the imports increased during the same time from 22,340 to 33,290 tons. In 1875, 284,000 tons of pig iron were imported, while in 1886, 858,000 tons were exported. The effect of the substitution of a bounty for a drawback on sugar, and the marvelous development which has taken place in this industry is shown by the fact that while in 1875 Germany imported 1240 tons of sugar; in 1886 the net exports were 565,103 tons. The exports of raw sugar rose from 46,218 tons in 1876 to 493,830 tons in 1890. Of candies from 7393 tons in 1876 to 215,736 tons in 1890. The imports of sugar into Germany decreased from 5607 tons in 1880, to 3742 tons in 1890.

*Increase
of exports.*

Even under declining prices the exports by valuation show a similar increase.

Between 1875 and 1885 the exports of textile goods	increased 787 per cent.
“ “ “ metal wares	“ 538 “
“ “ “ machinery	“ 53 “
“ “ “ glass and earthenware	“ 355 “
“ “ “ paper	“ 210 “
“ “ “ spirits	“ 54 “

The above exhibit shows that Germany is not only, year by year, supplying a large share of her home trade, but is fast gaining a larger share of the trade of other countries. The monopoly which the United Kingdom so long held of foreign trade is being destroyed by Germany.

By the increase of domestic production, under protection, in Russia and other countries, the imports of such articles as they were making at home have been restricted, but while the trade of Germany has fallen off, to such nations, it has increased to all other parts of the world. The following table shows the changes which have occurred in the export trade of Germany and England to the principal nations:

COUNTRIES TO WHICH EXPORTED.	Increase or Decrease in the Value of Export.	
	From the Zollverein.	From the United Kingdom. (British produce.)
	1880-85. Per cent.	1880-86. Per cent.
Hanse Towns, ...	7.3 inc.	
Russia, ...	29.3 dec.	44.4 dec.
Sweden and Norway, ...	15.8 inc.	2.3 inc.
Denmark, ...	6.0 inc.	8.9 dec.
Holland, ...	1.4 inc.	11.3 dec.
Belgium, ...	10.1 dec.	24.7 inc.
United Kingdom, ...	3.5 inc.	
Germany, ...		7.5 dec.
France, ...	11.9 dec.	12.6 dec.
Spain and Portugal, ...	72.4 inc.	7.1 dec.
Austria, ...	1.2 inc.	52.6 inc.
Italy, ...	72.9 inc.	12.1 inc.
United States, ...	17.1 dec.	13.1 dec.

The following statement of the foreign trade of the country in 1891 shows the general character of the commodities which enter into the trade. It has ceased to be an exporter of farm produce and raw materials, and is now actively participating in the struggle for markets in all parts of the world for the produce of its factories:

TABLE SHOWING THE IMPORTATIONS INTO AND EXPORTATIONS FROM THE GERMAN CUSTOMS TERRITORY DURING THE YEAR 1891.¹

REPORT BY CONSULAR CLERK MURPHY, OF BERLIN.

ARTICLES.	Imports.	Exports.
Waste materials, manures, rags, etc., ...	\$13,328,400	\$2,720,400
Cotton and cotton wares, ...	74,865,360	56,468,400
Lead and lead wares, ...	1,188,000	2,409,600

¹ United States Consular Report, No. 147, 1892.

*Imports
and exports
in 1891.*

ARTICLES.	Imports.	Exports.
Brush and sieve makers' wares, ...	\$811,200	\$3,492,240
Drugs, chemicals and colors, ...	58,199,040	60,468,480
Iron and iron wares, ...	11,743,920	66,487,680
Earths, ores, precious metals, asbestos and asbestos wares, ...	90,239,520	50,338,560
Flax and other vegetable spinning stuffs, with the exception of cotton, ...	22,902,720	9,608,880
Grain and other agricultural products, ...	193,146,240	31,681,680
Glass and glass wares, ...	2,244,240	9,251,520
Hair (horse, human, etc.), feathers and bristles, ...	11,035,680	6,294,960
Hides and skins, ...	34,693,200	16,982,880
Wood and wooden ware, etc., ...	55,258,560	34,663,920
Hops, ...	1,796,400	6,535,440
Instruments, machines and vehicles, ...	9,693,600	31,525,680
Calendars, ...	27,360	31,200
Caoutchouc, gutta-percha and wares thereof, ...	8,447,760	6,595,920
Ready-made clothing and body linen, also millineries, ...	2,545,680	30,112,080
Copper and copper wares, ...	13,790,640	14,652,720
Hardware, fancy wares, etc., ...	11,067,840	21,242,160
Leather and leather wares, ...	13,021,920	38,941,220
Linen yarn, linen and other linen wares, ...	7,441,680	8,154,000
Candles, ...	24,240	239,520
Literary and artistic articles, ...	7,318,320	22,421,520
Groceries, spices, liquors, etc., ...	184,695,600	117,751,920
Oils not otherwise specified and fats, ...	37,379,520	7,572,240
Paper and paper wares, ...	2,127,840	21,695,760
Furs, ...	325,200	927,840
Petroleum, ...	20,073,360	1,566,720
Silk and silk wares, ...	44,238,240	48,680,160
Soap and perfumes, ...	570,960	2,261,280
Playing cards, ...	3,120	80,160
Stone and stone wares, ...	10,511,760	6,120,000
Coal, coke, peat, etc., ...	27,185,520	36,210,960
Straw and bast wares, ...	1,353,600	1,156,800
Tar, pitch, resin and asphalt, ...	5,714,880	1,832,160
Animals and animal products not otherwise specified, ...	22,535,040	2,324,160
Pottery, porcelain, etc., ...	1,376,160	8,181,600
Horses, cattle, etc., ...	55,806,240	5,151,840
Wax cloth, wax muslin, etc., ...	318,240	233,760
Wool and woolen wares, ...	96,443,040	82,979,040
Zinc and zinc wares, ...	882,480	9,054,480
Tin and tin wares, ...	4,125,120	985,440
Incompletely declared wares, ...	171,840	2,836,080
Total, ...	\$1,160,669,280	\$888,923,040
Total in 1890, ...	1,025,520,000	818,400,000

The above table does not represent the total trade of the country, but simply the special imports and exports.

The figures representing the imports and exports of textile fabrics presented in the above statement, include raw materials, and yarns, as

well as the finished products. According to the statistical year book of the German Government, issued in 1894, showing the foreign trade of the country in 1893, the principal imports of raw materials used in the manufacture of textile fabrics, and the exports of finished articles of this class were as follows:

IMPORTS OF RAW MATERIALS, 1893.

Wool, raw, ...	\$54,740,000
Cotton, raw, ...	49,980,000
Flax, ...	9,282,000
Hemp, ...	5,474,000
Silk, raw, ...	30,226,000

Of the above only \$16,660,000 were exported.

EXPORTS OF TEXTILE FABRICS.

Woolen goods, ...	\$51,884,000
Cotton goods, ...	36,723,400
Silks, ...	36,318,000
Linen goods, ...	4,284,000
Woolen and cotton yarns, ...	13,328,000

Of the principal exports of domestic productions, sugar stood at the head, amounting to \$52,788,400.

*Increase of
productive
energy.*

In the brief space which can be devoted to the trade and industries of Germany, it is impossible to enter into the details showing the specific effect of protective duties upon the various industries of the country. Enough, however, has been presented, drawn from the reports of the British consuls, to show that as a result of the return to protection in 1879, new life was given to all branches of production, and a most marvelous expansion of all branches of manufacture took place. The ruinous competition of Great Britain was again warded off, and the German manufacturers entered with confidence upon a new career of business activity. It is a mistaken notion that the Germans are to-day inferior in skill and in the use of new inventions and modern appliances to the people of the United States, in the various branches of manufacturing. Old machinery has been discarded and their factories are now as well equipped as those of any other country, and every effort is being made to reach the highest degree of skill and efficiency. In this respect and especially in the attention which has been given to the technical education of the people, they have greatly surpassed the English. While a vast quantity of cheap and plain goods are being produced, the country is fast becoming noted for its production of the more delicate, beautiful and costly fabrics and wares.

*Technical
education.*

There are in Germany 328 places of instruction in manual training. The establishment of these institutions began about the year 1878, and they have since rapidly increased as the interest in industrial pursuits has grown. One hundred and fifty-six of these institutions have been started since 1888. They are divided among the States and cities as follows: Prussia has 201; Saxony, 47; Dresden, 17; Cologne, 15; Berlin, 10;

Halle, 7; Bremen, 6; Leipsic, 8; Hanover, Lübeck and Magdeburg, 5 each; Aix-la-Chapelle, Barmen, Emden, Hamburg and Munich 4 each; Dusen, Königsberg, Weimar, and Würzburg, 3 each.¹ Many are supported by the State, some by communes and societies, and others by private persons. The course of training and instruction embraces all of the departments of scientific information and technical learning, practiced in all industrial pursuits. It is folly for free trade writers, as has been the case, to attempt to make it appear that the citizens of the United States, although receiving higher wages, are by superior skill enabled to surpass the Germans in competition, when in designing, dyeing and in the scientific features of the production of fabrics, they are excelled by none unless it be the French. Not only are they equipping and strengthening themselves in every way possible for industrial supremacy, but they are showing a degree of ambition and enterprise in pressing themselves into foreign trade, which has attracted the attention of the commercial world. In the collection of statistics, in knowledge of commercial geography and of the needs and wants of foreign nations, they are surpassed by none.

*Commercial activity
of the
Germans.*

The ceaseless efforts, says Louis Stern, of the representatives of the German industries to open up new fields for the sale of their products appear to have received special encouragement and support on the part of the German Government since the holding of the World's Columbian Exposition. In connection with this fact, it is interesting to learn that the German consular officers in foreign countries are devoting themselves to advancing the interests of German industries by employing a novel, but thoroughly practical, method of securing additional sources of demand for German articles of manufacture. I have learned through the medium of German publications, that, through the German consuls in the United States, agencies have been established in nearly all the important centres, in charge of persons conversant with English and German and thoroughly supplied with information relating to the exporting industries of their country.

At these bureaus, that might be denominated "industrial agencies," interested parties can obtain information and advice regarding German sources of supply and the relative condition of market prices, freight rates, and tariff duties, so that, benefiting by this, even the importer of smaller quantities will, in future, be able to order wares from Germany at first hand. Whether these agents thus appointed by the German consular officers are supplied with books containing information about the various branches of German industries and indicating definitely the manufacturing firm, with its respective locality and price quotations, is at present unknown to me, but it may reasonably be assumed that such is the case. It is obvious, however, that such bureaus of information, if intrusted to the direction of the right persons will, in time, prove to be of inestimable value to parties interested.²

In considering Germany as a competitor among nations for the markets of the world, not only the skill and enterprise of her people, her vast industrial population and low wages, but the large accumulations of wealth which are taking place must not be lost sight of. The power of

¹ United States Consular Report, No. 157, October, 1893, p. 205.

² United States Consular

Report, No. 166, July, 1894, pp. 458 and 459.

*Growth of
capital.*

capital as a factor in commercial warfare has been demonstrated by the success achieved by British manufacturers, so long as they surpassed other nations in this respect.

The estimate of the wealth of the German people, made in 1886 by Professor Becker, chief of the German Bureau of Statistics, was \$41,650,000,000. Of Prussia alone, Mr. Miquel, the Prussian Minister of Finance, concluded that the wealth was \$17,564,400,000, of which \$7,075,740,000 was invested in stocks, bonds and loans. Of the whole wealth of the German Empire, it is estimated that about 25 per cent is invested in stocks and bonds, and United States Commercial Agent Smith estimates that this "will be increased to 40 or 50 per cent in the next generation." It was estimated by Professor Schmoller that from 2,500,000 to 4,000,000 of the inhabitants derive incomes from invested capital, one-half of which hold public securities. It is estimated by Professor Becker that the annual increase in wealth is 3 per cent, or \$1,190,000,000. Deducting the amount which rises from enhancement in values, he finds about \$595,000,000 to represent the annual savings of the people. Consular Agent Smith says on this point: "In the last ten years the deposits in the savings banks are claimed to have augmented about \$44,030,000 per annum. And throughout Germany probably \$71,400,000 to \$95,200,000 from which it is inferred that the German nation is laying up from \$476,000,000 to \$595,000,000 annually, one-half of which goes into securities."

Professor Schmoller estimates that during the last ten years about \$952,000,000 to \$1,190,000,000 have been invested in foreign securities, and \$1,904,000,000 in domestic securities. "Commercially and industrially," says Consul Smith, "Germany is in a favorable situation to-day, notwithstanding the complaints that one hears from time to time, and those persons err greatly who imagine that the country is soon going to be financially engulfed by its military burdens."¹

The accumulation of wealth which is taking place is undoubtedly due in great part to the tariff policy which is being practiced. Similar results are found to have followed the development of domestic resources in all countries where protection has been accorded to home producers. As mines are opened, factories built, agriculture extended, industrial activity takes place, home trade becomes more brisk, production is augmented and the opportunities which are thus brought into existence for the investment of capital and employment of labor at home bring about the very conditions which make the accumulation of wealth possible.

*Increase of
manufacturing
establishments.*

The growth of capital is also indicated by the extent to which the various branches of production are carried on. It would be impossible in the brief space devoted to the subject here to give the magnitude of the various manufacturing establishments of the country. It is enough, however, to say that the woolen manufactories in 1890 gave employment

¹ United States Consular Report, No. 166, July, 1894, pp. 390 and 391.

to 250,000 hands. In the cloth manufacture there were 2,600,000 spindles in operation. The sixty linen factories employ 300,000 spindles and about 250,000 looms. There are in the cotton industry 7,000,000 spindles and 300,000 looms. In the year above referred to, 1890, there were 100 porcelain factories; 300 glass works; 700 establishments for manufacturing chemicals and dye stuffs, and 1240 paper mills. The iron and coal industries have also made remarkable progress since 1879. Germany ranks next to the United States and Great Britain in the production of coal, pig iron and steel, and is "abreast of both countries in the production of iron ore." The production of iron ore as shown by the statistics of Dr. H. Rentzsch, the Statistician of the Association of German Iron and Steel Manufacturers from 1869 to 1894 was, in 1869, 4,053,807 tons; 1879, 5,859,439 tons; 1894, 12,403,758 tons. The number of tons of coal mined increased from 5,800,985 tons in 1848, to 53,470,716 tons in 1879, and in 1894 it had reached 98,876,105 tons. The production of pig iron grew from 1,409,429 tons in 1869, to 2,226,587 tons in 1879, and by 1894 it had reached 5,416,000 tons. Tons of steel made increased from 500,900 in 1879 to 3,621,000 in 1894. The make of steel rails in 1871 was 128,406 tons, and 483,228 in 1893.

*Production
of iron.*

In 1860 nearly all the locomotives and machinery used in the country were imported, while to-day the home demand is not only being almost exclusively supplied from home machine-works, but large sales are being made in foreign countries. There are 750 machine-works in the Empire employing over 90,000 hands. The German people excel in the making of iron and steel, machinery, hardware and cutlery. The sharp competition that is being waged against British manufacturers in all markets is evidence, not only of a large yearly production, but also of the efficiency and skill of artisans, as well as the ability and enterprise of the German capitalists.

There is scarcely a better example to be found in any country of the wisdom of the policy of protection than is presented by the growth of industries in Germany since 1879. The results which have followed have fully vindicated the statesmanship of Prince Bismarck. It is a mistaken notion that protection was returned to under Bismarck because of the heavy drafts on the treasury made necessary to support a large standing army and the military system. Neither were protective duties restored for the purpose of retaliating against protective countries. The policy was deliberately entered upon after a careful study of the situation of the country and an examination of the science of economics by Prince Bismarck, King William and others. In the short and disastrous period of free trade following the Franco-Prussian war, the bankruptcy of business men, the ruin of industries and the lack of employment for labor proved a return to protection to be not only a pressing necessity, but the only policy under which the German people could become rich and prosperous.

*Protection
vindicated
by its
results.*

CHAPTER II.

RUSSIA.

*Situation
and
natural
advan-
tages.*

In extent of domain and in the enjoyment of certain natural and geographical advantages, Russia is the grandest empire on the globe. With twice the area of the United States and one hundred and sixty times that of England and Wales, it embraces one-sixth of the world's habitable land. How much the population exceeds 115,000,000 is not known, for the limit of territory or number of inhabitants are not fully known even to the government itself. The surface is for the most part one or two vast plains surrounded on all sides by mountain or sea. It is to European Russia that the reader's attention will be directed almost wholly. On the east are the Ural mountains and through the centre running from east to west is a wide undulating ridge. To the north the country slopes to the Baltic and Arctic; to the south, toward the Caspian and Black Seas, which lead to the Mediterranean; to the west, toward Austria, Germany and the Baltic. The climate is most varied. In the south is the warm temperate region of the Crimea, in the north the frozen regions of the Arctic; the one luxuriant with tropical fruits, the other an icebound tract, barren of any kind of vegetation. Between the two extremes are found nearly every production known to man. Agriculture is naturally the predominating occupation, though it will be shown how manufacturing has developed under various degrees of protection. The history of Russia from the middle of the ninth century to the close of the seventeenth has but little interest for the student of trade and commercial advancement, and even during the century following Peter the Great, there was not much industrial progress. The early history is a continual series of foreign and internal wars. No great progress in industrial arts was made till the time of Peter the Great, whose reign began in 1689. In two years time he became endowed with the will and ambition to advance his people in art and science. Disguised in name and appearance he went to Holland. On arriving at Amsterdam he enrolled himself among the shipwrights and worked in the yards side by side with other artisans. When not at work he studied and read, making himself proficient in drawing plans in fortification and navigation. Nothing escaped his observation. He examined every workshop and every tool. He made a trip to England, where he perfected himself in ship-building, and returned to Holland. At the end of two years he returned to his country. Soon after were erected large Russian ships on the Baltic, Black and Arctic Seas. Stately buildings

*Peter the
Great—
Encourage-
ment of
manufac-
tures.*

rose among the miserable huts. Colleges, libraries and printing houses followed. Reforms of all kinds were adopted. The dress of the people was changed. Cities had military and police regulations. Peter taught his subjects discipline and obedience by going himself to the ranks and working up to the head of the army. He took 500 bells from the churches to make cannon. He was a good engineer, a skillful pilot, with a thorough knowledge of naval affairs. He even mastered the subject of surgery. In a short time he had completely transformed the Empire. The building of St. Petersburg was begun and concluded under his supervision, and in 1718 it became the capital of the Empire. Not only did Peter promote ship-building, architecture and the construction of fortifications, but at his death there were twenty-one imperial manufactories. Since the time of Peter the Great, Catherine II., Alexander I., Nicholas I. and Alexander II. have all distinguished themselves in promoting and encouraging the industries of the realm, particularly manufactures. The history of other sovereigns is but a repetition of court intrigues and foreign wars, and all with but little gain to the Empire. The impetus given by Peter, however, was never wholly lost, and with the adoption of strict commercial relations at the end of the eighteenth century, industries of all kind took a long stride forward. The nineteenth century opened with the assassination of Paul and the accession of Alexander the First. A high tariff duty system had been established a few years before, followed in 1800 by the prohibition of importations of silk, cotton, flax or hemp materials, glass, earthenware or porcelain. In 1801 the exportation of all Russian wares was prohibited, but Alexander the First rescinded this decree. All English goods were shut out in 1804, and in 1810 trade statutes were issued restricting the importation of all foreign goods, forbidding the import of ready-made articles, but favoring certain importations through neutral vessels.

In 1816, however, at the restoration of peace in Europe, concessions were made and in 1819 the protective system was entirely abandoned. A low rate of duty was retained, but it gave such freedom to the importation of goods as seriously to affect all manufactures. On the other hand, England, France and Prussia had tariffs of a strong protective character, so that Russia was at a double disadvantage. It did not take her long to see the necessity of again returning to protection, and in 1822 a new customs tariff was adopted and the importations of foreign goods were forbidden or subjected to high duties. Russia has never since returned to free trade. Her tariff systems have changed but always with more or less protective features. From 1822 till 1849 high duties were maintained. From 1850 till 1876 more moderate duties prevailed, while from 1877 to the present time, duties have been levied in a series of measures with a view to protecting Russian productions and Russian industries. Few statistics are available to show the workings of the tariff prior to 1824. The tariff of

*Russian
tariff
system.*

1822 was a thoroughly protective measure. The importation of textile fabrics, cotton stuffs, different sorts of cloths, silk stuffs, certain kinds of paper, copper wares, glass and porcelain goods, some earthen wares and refined sugar, were altogether forbidden. The importation of cast iron and iron, by sea, was prohibited, and a large duty was levied if imported by land. The strictly protective features of this tariff which tended to enhance home production were not changed by the modifications which took place in the years following. Prohibitions were changed to high rates of duties and in some instances temporary changes were made to develop a particular industry, for instance sheep shears were admitted for awhile, to encourage sheep breeding. Again, certain models were admitted free or at a low rate of duty for the benefit of manufacturers. In 1831 the duties were considerably raised, but lowered again in 1836. Export duties which had prevailed to a large degree were lowered from time to time during the first part of the century. In 1841 a new tariff was issued which continued in force till 1850. For the first half of the century then, it will be seen that Russia maintained a system of protective tariffs with the exception of three years.

Foreign
trade,
1824-49.

FOREIGN TRADE OF RUSSIA—1824-1849.

YEARS.	Export.	Import.	Excess of export (+) or import (-).	Customs revenues.
	Roubles.	Roubles.	Roubles.	Roubles.
1824	50,300,000	42,100,000	+ 8,200,000	11,100,000
1825	59,800,000	44,100,000	+ 15,700,000	12,700,000
1826	44,600,000	73,800,000	- 29,200,000	12,300,000
1827	56,600,000	46,100,000	+ 10,500,000	13,800,000
1828	50,200,000	47,300,000	+ 2,900,000	14,900,000
1829	56,500,000	53,100,000	+ 3,400,000	16,000,000
1830	63,500,000	43,900,000	+ 19,600,000	17,200,000
1831	61,400,000	41,900,000	+ 19,500,000	18,200,000
1832	61,600,000	43,900,000	+ 17,700,000	23,300,000
1833	59,000,000	45,000,000	+ 14,000,000	23,400,000
1834	55,400,000	53,300,000	+ 2,100,000	23,000,000
1835	54,100,000	54,200,000	- 0,100,000	22,400,000
1836	69,400,000	56,600,000	+ 12,800,000	23,300,000
1837	63,800,000	60,400,000	+ 3,400,000	25,600,000
1838	77,900,000	59,600,000	+ 18,300,000	24,900,000
1839	86,400,000	59,600,000	+ 26,800,000	25,500,000
1840	76,600,000	67,300,000	+ 9,300,000	26,400,000
1841	76,900,000	65,200,000	+ 11,700,000	26,600,000
1842	74,100,000	69,900,000	+ 4,200,000	29,900,000
1843	73,200,000	62,600,000	+ 10,600,000	29,500,000
1844	82,500,000	65,800,000	+ 16,700,000	31,900,000
1845	81,100,000	68,500,000	+ 12,600,000	30,400,000
1846	90,700,000	71,700,000	+ 19,000,000	30,300,000
1847	36,900,000	74,000,000	+ 62,900,000	29,100,000
1848	78,500,000	76,000,000	+ 1,700,000	29,600,000
1849	85,700,000	81,900,000	+ 3,800,000	29,900,000

Value of Rouble 77.2 cents.

The effect on her industries will be shown as they are taken up in detail. The effect on her foreign trade can be seen from the opposite table taken from "The Industries of Russia"¹ as translated by United States Consul J. M. Crawford, who adds the following statement:

It appears from these returns that in the twenties the average amount of exports may be valued at 53,000,000 roubles, exceeding by 2,000,000 the value of the average annual imports (51,000,000 roubles), the customs duty forming 27 per cent of the import value. In the thirties the average yearly export reached 65,000,000 roubles, exceeding the mean yearly import by 13,000,000 roubles, the customs duties forming 45 per cent of the import value. Finally, in the forties, the average yearly export, excluding the abnormal year, 1847, grew to the sum of 80,000,000 roubles, or 10,000,000 roubles more than the amount of the mean import, of which the duties collected were about 30 per cent.

During only two years in this period did the imports exceed the exports, and in one of those only by an insignificant amount. The duties collected show a rate of from 30 to 50 per cent. From the source whence the table was taken it is found that, "owing to the influence of the protective tariff, together with other measures furthering home production, the Russian manufacturing industries developed greatly."

The 484 cotton factories of 1825, employing 47,000 hands, had increased in 1850 to 536 factories, with 110,000 hands. In 1820 cotton yarn was imported to the value of 8,640,000 roubles (about \$6,600,000). In 1850 only half that amount was used while the amount of raw cotton used had increased, the cotton spinning industry being well established. In 1825 there were 324 cloth factories, with 64,000 workmen, and in 1850 98,000 hands were employed in 633 works. Of silk weaving establishments there were 184 in 1825, having 10,000 workmen. In 1850 the number had increased to 384, with 17,000 workmen. Eighty-seven paper mills with 8000 men in 1825 increased to 159 with 15,000 men in 1850. Thus it will be seen that even in the earlier part of the century Russia was developing her manufactures under a system of protection.

From 1845 prohibitory laws were gradually changed to carry out the policy of protective tariffs. Up to 1851 more or less difficulty had been encountered in arranging the tariffs of Russia and Poland with respect to each other. Poland had become quite a manufacturing country, and from her Russia imported many of her finished wares, sending food stuffs and certain raw material in exchange. The tariff introduced in 1851 adopted a system more equitable to both. In 1854 a general change in the tariff was made. The Crimean War had stopped all external trade by sea and to increase the land trade duties were lowered on almost everything imported across the frontier. The duties had been very high, in many cases exceeding 100 per cent. This encouraged smuggling to such an extent as seriously to affect the revenues. Moreover, at the close of the

*Tariff
changes.*

¹ Vol. I., p. 407.

war the duties were such that the importations by land so exceeded those by sea as to injure the marine trade. A general lowering of duties, therefore, took place and the tariff in general was much simplified. It is not to be concluded, however, that there was any considerable approach to free trade. On the contrary, duties were imposed on special articles with the express purpose of fostering home production. High duties were placed on competing articles, low duties on non-competing articles. Again in 1867 a general revision took place which was ratified the following year and remained in operation till 1876. Many export duties were abolished, and the number of articles comprised in the list of importations, exportations and prohibitions, were reduced from 719 to 260. Sixteen classes were left free. The duty on 152 articles was reduced and increased on thirty-five articles. The excess of exports over imports gradually diminished from 1850 to 1868, when for eight years the imports exceeded the exports. There was, however, a gradual increase in manufacturing as will be seen from the following table:

*Effects of
tariffs.*

THE GROWTH OF THE PRINCIPAL BRANCHES OF THE 'RUSSIAN MANUFACTURING INDUSTRY UNDER THE TARIFFS OF 1850, 1857 AND 1868.¹

MANUFACTURES.	Total value of the yearly production.				Average yearly increase (+), or decrease (—) of the production.		
	1850.	1857.	1867.	1876.	During the tariffs of		
	Millions of roubles.				1850.	1857.	1868.
					Per cent.		
1. Cotton spinning, ...	15.9	18.5	40.4	66.4	+2.6	+ 7.4 ²	+5.7
2. Cotton weaving, ...	12.8	15.6	30.1	36.3	+3.4	+ 6.2 ²	—2.1
3. Wool spinning, ...	—	0.4	2.6	2.5	—	+18.5	—0.4
4. Cloth, ...	18.2	26.0	34.0	40.2	+6.1	+ 2.5 ²	+1.9
5. Other woolen and half-woolen tissues, ...	6.9	6.7	12.6	16.1	—0.5	+ 7.1 ²	+2.8
6. Printing, dyeing and finishing of the fabrics, ...	16.3	16.5	32.1	37.7	+0.2	+ 6.2	+1.8
7. Silk weaving, ...	6.4	5.3	4.3	8.2	—3.2	+ 1.9	—7.4
8. Hemp spinning, and rope	2.2	3.3	4.2	4.0	+7.0	+ 2.4	—0.5
9. Paper, ...	3.2	3.6	4.9	9.1	+2.0	+ 2.8	+7.1
10. Leather, ...	8.6	10.0	16.1	26.6	+2.6	+ 4.4	+5.7
11. Chemical products and dyes, ...	2.2	3.9	5.0	5.5	+10.0	+ 2.2	+1.1
12. Soap and tallow candles, ...	4.0	5.6	6.8	9.1	+5.8	+ 1.8	+3.3
13. Glass, ...	3.0	3.4	3.5	5.2	+2.1	+ 0.3	+4.5
14. Building of machines and railway cars; mechanical industry, ...	0.4	3.9	14.0	43.4	+5.8	+ 1.8	+3.3

¹ Industries of Russia, Vol. I., p. 417.

² With regard to the cotton and wool manufacture, in which the obligatory labor had a vast application, the period during which the tariff of 1857 was in force can be divided into three strongly

The table shows a much slower progress under the tariff of 1868, when duties were considerably lowered. The free trade tendencies in the tariff of 1868, as proved by the adverse balance of trade and check to industrial progress were completely overturned by the measure of January 1, 1877. Duties were then levied in gold which increased the protection to home manufactures by from 25 to 30 per cent, and this protective feature increased as the value of the paper rouble depreciated. Besides the added protection given by levying duties in gold, the duties were raised in general, and in 1882 the tariff was revised solely with a view to protecting certain industries not sufficiently protected from foreign competition. The duties were in many instances changed from ad valorem to specific, and sheep farming was given special protection from the immense importations of cheap foreign wools. In 1885 still further and higher duties were imposed. The industries needing the greatest help always received the first attention. Special branches were singled out, thoroughly investigated, and protection was given without waiting for a general revision. The development of home industry was always paramount. Sometimes it would be the last finished article that would receive particular attention, again it would be the raw material. In addition to import duties export duties were levied on many of the natural resources of the country, for the purpose of fostering kindred industries at home. One feature of tariff legislation in Russia is particularly noticeable. It is the immediate change made as soon as the effect of a law is determined. It does not take years nor even months to repeal an injurious measure or adopt a new law needful for the promotion of an industry.

*Great
advance
under the
tariff of
1876.*

What is for the best interests of Russia and her people has come to be the only consideration and the subject for inquiry and legislation. To show the great increase under the tariff of 1876 and various special measures the following table is appended, taken from "The Industries of Russia."¹

different parts, namely: (1) from 1857 to 1860; (2) from 1860 to 1863, which coincided with the emancipation of the serfs and with the cotton crisis; (3) from 1863 to 1867; during the second period of time a considerable decrease of the industry may be noticed, while in the last it is again fast rising, as shown in the following table:

MANUFACTURES.	1858 to 1860.	1861 to 1863.	1864 to 1867.
	Increase.	Decrease.	Increase.
	Per cent.	Per cent.	Per cent.
Cotton spinning, ...	11.6	9.8	16.5
Cotton weaving, ...	5.5	15.8	24.3
Woolen fabrics, ...	6.8	10.3	18.5
Printing and finishing, ...	9.4	3.3	10.7

¹ Vol II., p. 431

INDUSTRIES.	In millions of roubles.		Per cent of increase.
	1876.	1890.	
Cotton spinning and weaving, ...	102.7	246.5	140
Wool spinning and weaving, ...	55.5	105.6	90
Dyeing, printing and dressing, ...	37.7	97.5	160
Flax and hemp spinning, ...	20.1	33.3	66
Silk weaving, ...	8.2	14.4	76
Paper-making and wall paper, ...	9.8	23.3	138
Chemicals and coloring matters, ...	5.5	17.7	222
Tanning, ...	26.6	35.9	36
Glass and mirror making, ...	5.2	11.5	120
Pottery and china, ...	2.2	4.1	86
Machine constructing, ...	43.4	52.6	21
Total, ...	316.9	642.4	102

*Tariff
revision
in 1891.*

The effect of a return to a strict protective system in 1876 was accompanied by a marked advance and wonderful strides in industrial progress. As has been before stated the changes from 1876 to 1890 were piece-meal and special. The time had again come for a general revision which was carried out in 1891. The natural resources and advantages in the production of raw materials had become more and more apparent as manufactures had developed and grown. Altered conditions and new products all necessitated a thorough revision. The revision was really begun in 1887. Specialists were appointed to investigate all foreign trade, as well as the actual condition of all branches of home trade and manufactures. Committees were appointed from the government, from boards of trade, from every department of industry and agriculture, supplemented by specialists in technical pursuits. This council finally passed the law of 1891, which was ratified by the Czar on June 11, and put into operation July 1. American free traders would do well to study this tariff and the methods adopted in framing it. It is safe to say that in every instance the protection of home industry was paramount to everything else. So-called raw material native to Russia received the same degree of protection as the finished article. Especial attention was given to the chemical industry which had in previous tariffs been considered of secondary importance. Great changes were made to encourage domestic productions from the first stages to the last. In short, adequate protection was extended to every industry in which Russia can engage to advantage. The revenue was given either secondary or no consideration. In fact there are many instances where a fiscal policy seems to be sacrificed in order to encourage and foster a certain branch of domestic industry. But the result of the former tariff fully justified the tariff of 1891, and that measure has been fully vindicated. The chief industries of Russia will now be briefly considered that the reader may judge what advance a semi-barbarous country can make under a system that develops and fosters home production.

To give a comprehensive exhibit of Russian manufacturing industries in 1890, the following table is taken from "The Industries of Russia:"¹

Industries.

MANUFACTORIES AND MILLS ARRANGED ACCORDING TO ARTICLES PRODUCED, 1890.	Manufac- tories and mills.	Production in millions of paper roubles.	Workmen in thou- sands.
1. Cotton goods (yarn and tissnes), ...	912	346	255
2. Linen goods (scutching, spinning, weaving), ...	174	41	46
3. Woolen goods (cleaning, wool spinning, weaving, felt, carpets, cloth), ...	1,044	106	95
4. Silk goods (throwing, weaving, brocade), ...	254	13	18
5. Ropes, oil-cloth, hats, ribbons, knitted and plaited goods made of fibres, ...	509	15	18
6. Writing paper, wall papers, ...	357	27	30
7. Leather and leathern goods, ...	2,690	39	24
8. Glue, tallow, wax, stearine, soap, bristles, ...	1,159	31	13
9. Gutta-percha, ...	14	11	4
10. Saw mills, furniture, resin connected with wood, ...	1,592	40	42
11. Gold (2500 pouds), platinum, silver, mercury, cop- per, lead, tin and zinc, ...	1,881	58	106
12. Cast iron (56,000,000 pouds), ...	262	61	233
13. Iron and steel (nails, wire, machinery), copper, bronze, gold and other goods made of metal, and machinery, ...	1,881	186	118
14. Salt (189,000,000 pouds), coal (367,000,000) and other solid minerals, ...		29	86
15. Stone, lime, cement, bricks, porcelain, fayence, plaster of Paris, glass and mirrors, ...	2,345	36	73
16. Chemicals and cosmetics, colors, matches, and powder, ...	846	34	27
17. Petroleum (260,000,000 pouds), ...	160	27	11
18. Sugar (25,000,000 pouds), spirit, vodka, beer and tobacco, ...	7,241	265	189
19. Flour, meal, starch, molasses, macaroni, malt and sweetmeats, ...	7,061	169	38
20. Other comestibles besides above (vegetable oils, preserves, vinegar)	2,856	28	11
21. Carriages, musical instruments, pencils, ...	380	35	16
Total, ...	33,683	1,597	1,453

Value of poud 36 pounds.

Value of paper rouble about 51 cents.

While the table shows that but a million and a half of workmen are engaged in manufacturing, yet it must be remembered that Russia is but entering her industrial career as a manufacturing country. The rapid advance made in recent years proves beyond a question that Russia will soon be numbered among the greatest manufacturing nations of the world.

Cotton goods, including yarns and tissues, hold first place among manufactures. The industry dates back to the sixteenth century. The articles imported so pleased the Russians that it became their aim to establish an industry of their own. At first foreign yarns were used by the peasants and worked up on hand looms. Soon small weaving mills were established and by the middle of the eighteenth century, there was a

*Growth
of manu-
factures.*

¹ Vol. I., p. liii.

considerable number. Dyeing and printing were introduced and from the beginning of the present century the manufacture of calico from English spun yarns spread beyond the Moscow district where it was introduced. The first cotton mill was erected in Moscow in 1808, with machinery of Russian construction. In the same year power looms were started in St. Petersburg. Little progress was made up to 1824, but in that year two large cotton spinning mills were opened at St. Petersburg and Moscow, and the manufacture advanced considerably. The main difficulty was in obtaining machinery, but from 1842, when England removed her restrictions on the export of machinery, the mills of Russia developed rapidly. In 1843 there were forty mills in Russia with 35,000 spindles. In ten years more there were 1,000,000 spindles at work and the product of each spindle had increased to 1728 pounds annually. Weaving, dyeing and printing kept pace with spinning. In 1870 the number of spindles was estimated at 2,796,283 and in 1886 at 3,912,806. At the present time the number of spindles exceeds 6,000,000 and the number of looms 200,000.

The amount of raw cotton now used annually by Russia amounts to 425,000,000 pounds, of which 100,000,000 pounds are produced on Russian soil. Some of the native cotton is preferred to the American. Going from the raw cotton to the yarns, we find that the Russian mills produce now over 360,000,000 pounds of yarn annually and import only a little over 8,000,000 pounds, or a trifle over 2 per cent. The import of manufactured finished goods is even less significant, it being less than three-tenths of 1 per cent of the amount produced, which is about 350,000,000 pounds. On the other hand, Russian exports of cotton goods though small are increasing annually. While only 187,000 pounds were exported to Persia, for instance, in 1883, 1,124,676 pounds were exported in 1890, or six times as much. The growth of the output during the ten years of the last decade can be seen from the following data collected by the Department of Trade and Manufacture:

IN MILLIONS OF ROUBLES.

YEARS.	Spinning.	Weaving.	Printing and Dyeing.	Finishing.	Total.
1880	74.1	99.7	61.1	5.5	240.4
1881	89.3	124.6	58.4	2.9	275.2
1882	99.3	137.5	60.7	3.3	300.8
1883	97.6	116.7	60.4	3.2	277.9
1884	91.4	109.3	58.8	2.8	262.3
1885	97.4	98.0	59.5	3.3	258.2
1886	93.9	107.2	47.8	3.9	252.8
1887	105.7	104.3	67.7	4.4	378.1
1888	133.6	157.2	75.3	4.7	370.8
1889	187.6	222.3	72.8	4.4	487.1

Value of rouble 77.2 cents.

It has been stated that the number of spindles in Russia was 6,000,000, while England has 44,000,000, but the yearly consumption per spindle in England is only 36.4 English pounds while in Russia it is 69.2 English pounds or nearly twice as much. When it is considered that the weekly wages of spinners are from \$3 to \$7 per week, while all other workers do not average half this, it will be seen what a competitor Russia may soon become now that she is wholly supplying her own market and beginning to export. The Russian cotton industry has grown and is maintained solely because of a protective tariff. It is estimated that two and one-half times the amount now sent abroad for raw cotton would be sent for manufactures if the home production had not been established and maintained. But this is not the whole benefit.

The development of the cotton manufacturing industry in Russia has created a special branch of production, namely, the cultivation of cotton, with a view to obtaining the necessary material for spinning, and this branch may be said to have a splendid prospect in the future. In the near future probably the greater part of the Russian cotton industry will be supplied with native raw material.¹

The duty on raw cotton has gradually advanced till now it is about three cents per pound. Russia has no free raw material hobby. Once it is seen that any article from the so-called raw material to the finished product can be grown or made, it receives at once such protection as will encourage its production. First the finished cotton goods were given protection and the industry as we have seen, has grown to immense proportions. At first all yarns were imported, but as soon as it was shown that yarns could be made at home, protection was granted and Russia now practically makes all her own yarns. Then it was seen that the raw cotton itself could be produced on Russian soil. Seed was procured, protection given, and now the Russians claim that in a few years they will produce all their own cotton. If consumers were at first asked to make some sacrifices, they have been and will be more than compensated by the employment and wages gained in all branches of the industry. Like the farmer's seed, protection does at first cost something, but the abundant harvest so far overshadows the first trifling cost as to cause it to be forgotten in the wealth of lasting benefits.

The production of flax, hemp and jute goods occupies second place among Russian manufactures. The industry dates back to the sixteenth century, but made little progress till Peter the Great granted privileges to the manufacturers and forbade the importation of foreign linen. By the end of the eighteenth century the production had reached 3,744,000 pounds. The demand for linen for the army at different periods has greatly aided the development of the industry, but it was found that cotton goods were in greater demand and the result was, for a time, unfavorable to the linen industry.

*Flax, hemp
and jute
goods.*

¹ The Industries of Russia.

In 1845, however, the government ever alert in recent years to the best interests of the people, granted certain rewards to flax spinners and factories, with the result that the industry took a new start with most significant results. Though the duties were lowered in 1850, yet the demands of the Crimean war, followed by the lack of cotton during our war, was the cause of establishing the industry on a firm footing. During the twenty-five years following the Crimean war the development of the flax spinning trade far exceeded that of linen, but the increase in the linen trade was not small. Since 1880 the increase has been large in both branches. The average annual flax crop of Russia is now about 630,000,000 pounds, over half the amount cultivated on the surface of the earth. About two-thirds of this amount is exported and one-third consumed at home.

*Slight
imports.*

The amount of hemp produced in European Russia is about 300,000,000 pounds, or 40 per cent of the European production. Less than half is exported. The import of yarn, rope, etc., is so insignificant as to merit no notice. There is no import whatever of hempen or jute yarn. The import of linen and hemp fabrics which in 1878 amounted to over 5,000,000 pounds, in 1891 was less than 250,000 pounds. In short, the total importation of such goods is only about 5 per cent of the total home production of flax spinning mills and rope and cordage factories. This import is more than covered by the exports so that Russia may be said to consume her entire production of flax, hemp and jute goods, as she does that of her cotton goods. What this production is can be seen from the following table:

	Roubles.
Production of Flax Spinning Mills in 1889, ...	17,600,000
“ Linen Mills in 1889, ...	21,100,000
“ Jute Mills in 1889, ...	3,500,000
“ Rope and Cord in 1889, ...	5,690,000

In 1889 there were 245,588 flax spindles in Russia, most of the factories working night and day. This would be equivalent to 412,588 foreign spindles. In 1889 there were 7312 power looms equivalent to 12,284 looms elsewhere. The following table will show the amount of hemp fibre produced and consumed from 1884 to 1888 in the principal European countries:

	Crop of Fibre.	Consumption.
Russia, ...	17,500,000 pounds. ¹	6,248,000 pounds.
Germany, ...	4,041,000 “	5,646,000 “
Austro-Hungary, ...	2,773,000 “	4,175,000 “
France, ...	2,225,000 “	5,790,000 “
Great Britain, ...	1,312,000 “	5,961,000 “
Belgium, ...	1,202,000 “	2,057,000 “
Italy, ...	1,095,000 “	1,091,000 “

¹ 36 pounds.

The hemp crop and consumption for the same period is seen in the following table:

	Crop.	Consumption.
Russia, ...	8,500,000 pounds.	5,039,000 pounds
Italy, ...	4,500,000 "	3,547,000 "
Austro-Hungary, ...	4,270,000 "	4,403,000 "
France, ...	2,500,000 "	3,522,000 "
Germany, ...	850,000 "	2,290,000 "
Belgium, ...	60,000 "	428,000 "
Great Britain, ...		3,289,999 ¹ "

No figures are at hand to show the wages paid, but it may be safely assumed that they follow other textile trades and are at least one-third those paid in the United States.

Again we must go to the reign of Peter the Great to find the foundation of the Russian woolen industry, and the wants of the Russian army were the cause of the first manufacture. In 1712 an order was issued that the army should wear only textures of Russian make. Peter the Great interested himself in sheep farming and in the manufacture of cloth, but the industry developed slowly, its growth really dating from the beginning of the present century. In 1822, the production of the woolen mills reached 9,000,000 yards, which exceeded the requirements of the government. The industry then was mainly Polish. In 1830, 390 mills employed 67,000 people and the production had nearly doubled in yards. The industry was now established in many parts of the empire and by 1856 the woolen mills could produce about 30,000,000 yards of cloth. The industry showed alternate depression and revival till 1885, since which time a wonderful development has taken place. Three-quarters of the spindles of the Empire, however, are in Poland. Of the wool used in Russian mills, the greater portion is of home production. The total amount of wool grown in Russia in 1891, was about 290,000,000 pounds, but little less than the production of the United States, while the number of sheep was 53,000,000, or 8,000,000 more than those of the United States. The wool, however, is of a coarse quality, all the finer grades being imported. About 25 per cent of all yarns consumed is imported, and for the five years from 1885 to 1889, inclusive, the importation of woolen goods was only 5 per cent of the total production. In 1889 the total output of the Russian woolen industry was in value about \$80,000,000, a slight falling off from preceding years. Since the operation of the tariff of 1891, however, the industry has taken a new life, as have all manufactures, and the annual production now probably amounts in value to \$100,000,000. The average annual exports for the last ten years amounts to about \$7,000,000. In summing up the condition of the woolen industry of Russia, the following extract from the official statements of the government will be found interesting and valuable:

Woolen goods.

¹ The Industries of Russia, Vol. I., p. 33.

The manufacture of woolen felted goods, of coarse and medium classes, is fully developed and capable of supplying the home demands. Besides the considerable amount of cloth, supplied for clothing the army, the manufactories produce a no less considerable quantity of goods for the requirements of the poor, as well as for the better classes of the inhabitants. Russian manufacturers can flatter themselves that nowhere in Europe are the armies provided with better and cheaper cloth than in Russia. This manufacture of woolen felted goods¹ should be considered all the more independent as it has a sufficiently suitable native raw material, and is in possession at the present time of an adequate supply of spindles for carded wool spinning. With regard to the fabrication of fine cloths, this branch of the industry develops comparatively slowly, although lately visible progress has been made. Reverting to the manufacture of combed yarn goods, it must be acknowledged that only at the present time its position is becoming more or less firm, as only for the last ten years has it had the possibility of obtaining yarn, at any rate the greater part of the amount required, of home production, through which it has acquired the right of great independence of foreign industries. For the complete success of the fabrication of combed wool goods, which gives so much hope on account of the modern condition of its qualificative element, the further development of spinning is necessary. The better this branch of Russian industry is established, the easier will it be to reach an independent position in the universal markets and the more independence will be attained by Russian sheep farming, which, with the increased home demand for wool and a suitable government protection, will be able untiringly to develop in quantity as well as in quality.¹

Silk goods.

The high price of silk goods will account for the less rapid growth of the industry as compared with that of the other textiles. Silk, however, has been used to some extent from the very earliest times. To the time of Peter the Great we must go again, to find the first silk weaving mills, which by 1809 had grown to 194 in number. By 1850 the value of the product of silk mills was \$4,800,000, and by 1891 it had reached \$10,000,000. The silk mills of Russia use considerably more foreign than domestic raw material, the process of preparing the material from the cocoons being but little developed. The duty on twisted silk was raised by the tariff of 1891 and the government has instituted measures for the development of the silk worm industry so that it is expected that the silk industry from the cocoon will soon show the same degree of advance as that seen in other industries. Even now the quality of certain Russian silks are not surpassed by any imported, while in the manufacture of brocade Russia stands unrivaled. The supply of Russian mills is not yet equal to the demand, and is held in check by the high price of foreign material. With the increased production of raw silk at home will come increased output of all grades of silk.

From the foregoing it will be seen that Russia is making great progress in textile manufactures from the production of raw material to the finished fabric. It must be remembered, too, that the figures given represent only the large mills and regular establishments. The thousands of peasants who spin and weave not only for home use but for trade, are not

¹ The Industries of Russia, Vol. I., p. 57.

taken into account in the government reports. Millions of dollars' worth of textiles are annually made by the peasants and sold at the big fairs which form a distinctive feature of Russian industrial life. Could the figures of this annual production be obtained, some idea of the magnitude of the textile industry of Russia could be had, and it would compare most favorably with any other nation. It has till recently been the sole aim of the Russians to supply their own wants, but with their enormous resources for raising cotton, wool, flax and silk, and with the best protective tariff now in existence, Russia from now on must be rated among the foremost of manufacturing countries.

The following table shows the development of the paper industry :

PERIOD.	Number of mills.	Yearly production in roubles.	Number of hands.
Ivan the Terrible, ...	1	.	.
Alex Michailovich, ...	2	.	.
Peter I., ...	4	.	.
1765, ...	13	.	.
1766, ...	23	150,000	.
1804, ...	61	.	.
1820, ...	87	.	.
1830, ...	104	.	.
1850, ...	159	3,225,000	.
1856, ...	161	3,661,314	.
1862, ...	165	5,682,172	12,280
1870, ...	137	6,095,303	.
1879, ...	126	9,568,000	10,890
1880, ...	136	10,876,000	11,510
1881, ...	139	13,677,000	11,719
1882, ...	134	12,451,000	12,339
1883, ...	131	14,217,000	12,358
1884, ...	140	14,697,000	13,304
1889, ...	161	17,908,000	17,402 ¹

If the manufacture of wood pulp be included the total figures of the Russian paper industry would be in 1889, 364 mills, employing 30,000 hands with value of product amounting to 26,000,000 roubles or about \$19,000,000. But the supply does not yet meet the home demand and the amount of all kinds of paper imported in 1890 reached the value of 6,811,328 roubles or about \$5,000,000. The exports amounted to about \$1,000,000 worth.

Tanning is among the very oldest of Russian industries. The well-known product, Russia leather, has been exported since the seventeenth century. At the time of the accession of Catherine II., in 1762, there were 25 tanneries, and at the end of her reign in 1796 the number had increased to 84. In 1790 the exports were as follows: Russia leather, 1,258,106 roubles; other dressed hides, 22,852 roubles; pelts, 6727 roubles.

Leather goods.

¹ The Industries of Russia, Vol. I., p. 68.

Wars at the beginning of the present century created a great demand for boots and other leathern goods, and in 1814 there were 1530 tanneries at work. In 1870 the number of tanneries had increased to 2899, and the yearly production was valued at 24,991,617 roubles. In 1880 the production was about 40,000,000 roubles' worth. The imports amounted to about 15,000,000 roubles, but are gradually declining as the home output increases. The village leather trade is one of the most important in Russia, the tanning being about one-third that of the factories. The wrought leather production in 150 districts amounts to 26,000,000 roubles, and gives employment to 85,000 men. The large factories do not compete much in this branch. 40,000 men are employed in tanning sheep skins, and the yearly production is valued at 20,000,000 roubles, or ten times that of the factories. The quality of all kinds of goods shows a constant improvement, and Russia bids fair soon to lead the world in leather manufactures, though for the want of machinery she will hardly be a competitor with the United States in the production of boots and shoes.

*India
rubber
goods.*

It was not until 1830 that the India rubber trade sprang up in Russia. Caoutchouc made its appearance in Europe at the end of the last century while gutta-percha did not appear until the middle of the present century. The discoveries of the present century in connection with various processes placed the India rubber trade of Russia on a level with other industries. The government saw the necessities of this trade in 1857 and raised the import duties on foreign India rubber and gutta-percha goods. In 1860 there were five mills employing 298 hands and having a production of 412,160 roubles. The greatest success followed and the quality of the goods manufactured was such as to find a large sale abroad. The production, for instance, of India rubber galoshes in 1860, amounted to 220,223 pairs. In 1870 it had increased to 1,804,634 pairs. While the production in 1887 amounted to 3,300,000 pairs, of which 2,750,000 were sold in Russia, 400,000 were exported to Sweden and Norway, and 150,000 to Denmark and other countries. In St. Petersburg there is one India rubber manufactory called the Russian-American Company, which was established in 1860, and in 1878 had a working capital of 2,000,000 roubles, with a reserve fund of 1,400,000 roubles. The production amounted to 5,000,000 roubles, consisting of galoshes and all kinds of rubber goods. The present capacity is sufficient for the production to the value of 10,000,000 roubles. The rapid progress of the Russian India rubber trade has been accompanied by a corresponding decline in imports of foreign made goods, while the exports have steadily increased. The exportation in 1887 amounted to 371,400 roubles, while in 1889 it had increased to 1,526,542 roubles. From 1885 to 1890 the India rubber industry of Russia increased fully 50 per cent. The imports decreased almost 30 per cent and the exports increased over 300 per cent. The present export is about 15 per cent of the total production and the import about 3 per cent.

Russia abounds in timber to such an extent that wood working has always been one of its most extensive industries, keeping a large number of men employed and having a distinct influence upon the lives and habits of the people. The greatest development is seen in those localities rich in timber, but in places where the forests are already consumed, the people still carry on their calling, obtaining material from other places. The most common, as well as the most useful, tree which grows in Russia, is the ordinary pine and is found in two-thirds of the whole extent of European Russia. The next in order is the fir, followed by the Siberian cedar. Other trees are the birch, aspen tree, lime and the oak. From the very earliest times Russia has been an exporter of wood in a raw or half manufactured state, the export of manufactured wood being small. In recent years the exportation has amounted to about 55,000,000 roubles, of which 40 per cent has gone to Germany, 33 per cent to Great Britain, 6 per cent to Holland and the rest scattered. The export of manufactured wooden goods is less than 1,000,000 roubles per annum. The imports of certain classes of finer woods amounted in 1890 to about 6,500,000 roubles, in addition to which about 1,000,000 roubles' worth of wood pulp is now annually imported. Statistics of mills and manufactories engaged in wood-working show a considerable development in this industry in recent years. The following tables will show the progress made between 1881 and 1890:

SAW MILL TRADE.

Number of mills.	Production in thousands of roubles.	Number of hands.
1881 516	15,418	11,319
1890 631	21,566	17,986

CABINET MAKING AND JOINERY TRADE.

Number of works.	Production in thousands of roubles.	Number of hands.
1881 154	2,584	4,424
1890 108	4,301	5,864

TURNERY AND SMALL WORK.

Number of factories.	Production in thousands of roubles.	Number of hands.
1881 53	452	513
1890 62	1,371	2,739

MAT MAKING.

Number of factories.	Production in thousands of roubles.	Number of hands.
1881 69	536	4,997
1890 78	482	5,532

WOOD PULP.

Number of mills.	Production in thousands of roubles.	Number of hands.
1881 3	65	91
1890 19	521	437

The saw mill industry, as is seen by the table, is the most largely developed manufacture, but this is exceeded by the export trade of beams,

rafters, planks and other kinds of sawn timber, which exceeds over 40,000,000 per annum or double the production of the saw mills, and as the timber consumed in the country is sawed by hand and not seen in the production of the manufactories, it will be readily conceded that the whole industry is of enormous proportions. In fact, this phase of Russian life is nowhere more fully seen than in the wood-working industry. The number of large manufactories is comparatively small, while the production of artisans working at home is doubtless many times greater than shown by the official figures. The whole of Russia is dotted with wood-working concerns, using the wood of the locality till it is consumed and then generally keeping to the same classes of work, getting the necessary material from other localities if necessary. In many parts of the country artistic productions, carved work in artistic design and quality to compete with any such goods made, are fashioned. These often find their way into the hands of middlemen, who put foreign trade marks on them and pass them off for imported goods.

The industry of basket making is not inconsiderable, though no official statistics concerning it can be found.

*Pitch and
tar in-
dustry.*

From very ancient times pitch and tar have not only been produced in Russia for home use, but have been exported. Pitch has principally been sent to England and turpentine to Germany, where it is in great demand because of its quality and cheapness. The tar industry is almost exclusively confined to the peasants, but has shown great improvement in recent years in the foreign processes and in the use of the material for fuel. The industry of making pitch is especially Russian and has lately attained great development, especially in the forest regions. It is estimated that the Russian forests produce yearly 144,000,000 pounds of pitch and 72,000,000 of tar, 540,000 pounds of resin and 2,160,000 pounds of turpentine.

*Metal
industry.*

Even before the reign of Peter the Great the manufacture of articles from metals was a prominent industry in Russia. For instance, the forging of bells began soon after the introduction of Christianity. Even more ancient was the forging of side arms, which was especially developed during the early civil and foreign wars. Then the Russians being a very religious people, always completing and decorating churches, the making of church ornaments and trimmings dates from very ancient times. Moscow was the chief centre of the industry prior to the reign of Peter the Great. There were found the best gunmakers and goldsmiths, among whom were many experienced mechanics who had come from abroad under inducements made by the Russian Government. Under Peter the Great the industry made remarkable progress, and works were organized in different parts of Russia simultaneously with the founding of St. Petersburg. The chief sources of metal supplies for all trades were the Ural Mountains, the rivers Kama and Volga serving to convey the metals to the different scenes

of industry. Like most of the industries of Russia, the manufacture of goods from metal can be divided into two branches, that carried on in the large establishments, and the extensive production carried on by peasants. The latter is for the most part handwork, which competes with the products of the manufacturing industry, the articles being of excellent quality and workmanship. The Russian peasant is occupied for the most part in farming, but during the long winter his spare time is devoted to the turning out of various forms of handwork. The surplus thus earned by peasants improves their condition and also enables them the better to meet the taxes imposed by the government, and in turn the government adopts measures to sustain and improve the productions of the peasants. The metal productions of Russia can be divided into the following classes :

1. Products of the noble metals and jewelry.
2. Products of copper and copper alloys.
3. Products of lead, tin, zinc and their alloys.
4. Products of smithcraft and in sheet iron.
5. Cast iron and steel.
6. Artillery arms, guns and implements.
7. Side arms and cutlery; instruments for working different materials; scythes and sickles.
8. Wire manufactures.
9. Locks and different productions of the locksmith.

Statistics recording the extent and cost of these industries are very incomplete and an idea of the total manufactures and trade can only be gathered from a brief examination of each class of industry.

Gold and silver articles date from very ancient times, but have been developed largely and improved since the introduction of Christianity. The making of jewelry dates from the sixteenth century, and was begun in Moscow, which was then the residence of the Court and grandees. It is recorded that in the beginning of the eighteenth century there were in Moscow 43 goldsmiths and 232 silversmiths, many of whom were jewelers. Even now the industry is chiefly centred in St. Petersburg and Moscow. The peasants in some of the villages on the Volga give their whole time to the silver and jewelry industry. The articles made are sold all over Russia, even in the large cities. The middlemen obtain them very cheaply from the peasants and make large profits. In one region alone more than 15,000,000 pieces are made yearly. These consist of earrings, rings, brooches, bracelets, lockets, chains and neck crosses. Agents and merchants are in constant communication with the dealers of large towns, and as soon as a new pattern is produced send it to the peasants who reproduce it exactly. The production of leaf silver and leaf gold is about 500,000 roubles yearly, the latter being higher in quality than that of any other country. Russian gold and silver

Manufacture from the precious metals.

*Copper
manufac-
tures.*

thread also exceed foreign make and Russian gold tissue cloth with *parcha* is unrivaled in the world. The making of articles from platinum has only recently been introduced and the industry has not reached very large dimensions. The total production of jewelry and precious stones is estimated to amount to about 7,000,000 roubles yearly. The import is inconsiderable and the export still less.

Although the copper foundries of Russia were not established until the middle of the seventeenth century, some articles were produced in very ancient times. Going back as far as the tenth century we find that the making of bells was the principal industry of that time, and by the seventeenth century the industry was well established. In 1653 was produced in Moscow the celebrated bell called the Tsar Kolokol. This bell is the largest in the world, is eighteen feet in diameter and nineteen feet high, and almost 400,000 pounds of copper were used in its construction. Owing to the fact that bell making dates back so far, and to the great demand that has always existed for bells, the industry has attained great proportions and reached a state of progress practically unequaled in the world, especially in large bells ranging in weight from 1000 to 40,000 pounds each. The peasants are engaged in making small bells which are principally worn on harness and used in summer and winter with all kinds of vehicles. The total value of Russian bell production is about 1,000,000 roubles annually. The production of household utensils from copper was begun in very ancient times, but has hardly kept pace with some other industries, probably because of the costliness of copper itself. Bronze and similar productions are fabricated in very small quantities. The manufacture of lamps and their belongings is confined mostly to Warsaw and the annual production amounts to about 500,000 roubles. The most extensive purpose for which copper alloys are used is in the manufacture of shells for cartridges. Brass fixtures till within a short time were wholly imported from Germany, but are now manufactured to some extent in St. Petersburg and Moscow, and the production amounts to about 2,000,000 roubles annually. In recent years too the manufacture of articles for gas and electric lighting, formerly imported, has developed greatly. The total output of bronze and brass articles, including both those made by hand and those of manufacturing establishments, amounts to about 16,000,000 roubles annually.

Articles of zinc, tin, lead, etc., are not as yet manufactured to any great extent, the annual output being about 9,000,000 roubles.

*Iron
industry.*

While the productions of blacksmiths and kindred productions date back to the earliest period, still the greatest development has been noted in recent years. Different industries are maintained for the most part by themselves. For instance, in one region chains and anchors are forged, in another, carriage fixtures, in still another, scoops and shovels, basins, pails, spades, hoes and stoves and the like. Perhaps the forgesmiths are

the most widely scattered craft to be found in the Empire and hold the most conspicuous place in industry. Hand forging is found very generally, excepting in the case of nails, which are now made by machinery. The first cast-iron foundry was established in 1637 by a Dutchman. Still the founding of steel has only recently been introduced. The customs laws of Russia have had no inconsiderable influence upon her iron industry, especially in recent years. First the using of domestic raw materials has been encouraged, such as pig iron, iron ore and domestic coal as fuel. In 1850 the duty upon pig iron was highly protective and soon after the importation by sea was totally prohibited. At the end of the Crimean war, when the completing of railway lines began, the government resolved to facilitate the importation of metals from abroad. According to the tariff of 1857 pig iron and ore were, for the first time, allowed to be imported by sea, but their importation was again prohibited soon after. In 1861 pig iron was imported free of duty and the free import of all kinds of machinery and implements was granted, which, of course, operated against the Russian machinery building industry. It was not until 1880, however, that the privilege of free importation was abolished. In that year duties were levied upon all machines and tools made of wrought and cast iron and steel. In 1882 the duty was made still higher. Under this influence machine construction and the manufacture of rails developed rapidly. The railways now in operation began to bring ore and coal nearer to the mills, and, when the Ekaterininsk Railway, in the south of Russia, was finished, it opened up mines with inexhaustible veins of fuel. In 1884 the government raised the duty on cast-iron and still protected coal mining. Almost yearly since that time to the tariff of 1891 duties have been levied to meet particular needs of the iron and steel industries. The result is seen in the fact that cast-iron smelting has just doubled in ten years, while the importation has fallen off 70 per cent. The manufacture of wrought-iron and steel has increased 50 per cent, while the importation has fallen off 70 per cent. The imports of wrought iron and steel goods in the same period have fallen off 66 per cent and the imports of machinery have gradually declined from year to year. Until 1884 coal and coke were imported free of all duty; since the imposition of the duty in that year, it has been raised from time to time with most beneficial results to native industry. While the development of the iron industry of Russia as compared with other countries is practically small and almost in its infancy as regards the amount of output, there is no doubt that with the operation of the tariff of 1891, combined with the fact of the inexhaustible mines now being connected with manufactures by railways which have been recently opened, that in a very few years the iron and steel trade of Russia will compare most favorably with that of other great nations.

In the manufacture of guns and artillery supplies, ammunition and firearms Russia occupies a high position, competing with other parts of

*Recent
tariff legis-
lation
affecting
iron and
steel.*

*Gunmak-
ing, etc.*

Europe and with America in quality of work. The gunsmiths of Russia were renowned even in the sixteenth century. At first guns were made at home, the first armory being organized in 1705. The articles which are used as a means of government defence are more or less under the supervision of the government itself, there being but few private gunmakers in the empire. The making of side-arms has also been carried on for centuries and the artificers have attained a high degree of proficiency. Cutlery in Russia is generally made by hand. Knives of the best quality are imported from Germany and Austria, as Russian workmen experience considerable difficulty in making knives of cast steel owing to the scarcity of Russian metal suitable to this work.

Wire drawing is an industry long established in Russia, although its development to any considerable extent dates only since the time of the electric telegraph. The amount of wire and wire nails produced in 1890 was, of the former, 46,800,000 pounds, and, of the latter, 43,200,000 pounds. Innumerable small wares are made throughout the realm both in manufactories and by the peasants. The enumeration and description would take too much space for a work of this nature. The following table will give, however, a very comprehensive view of the metallic productions of Russia with the foreign trade and consumption :

KINDS OF WARES.	Home pro- duction.	Import.	Export.	Home con- sumption.	Supplied by Home production. Per cent.
	In Thousands of Roubles.				
Gold and silver goods, ...	7,000	809	282	7,527	94.3
Wares of brass and its alloys, ...	16,000	1,874	280	17,594	90.9
Wares of zinc, tin and lead, ...	8,500	348	. . .	8,848	96.0
Blacksmith wares, iron and tin, ...	27,500	1,511	. . .	29,011	94.8
Cast iron and cast steel, ...	21,000	199	95	21,104	99.5
Cutlery, ...	2,425	133	. . .	2,558	94.8
Implements and tools, ...	500	1,871	. . .	2,371	21.1
Scythes and sickles, ...	275	1,757	. . .	2,032	13.5
Wire and wire goods, ...	22,500	2,117	. . .	24,617	91.4
Locks and locksmith wares, ...	15,000	2,396	692	16,704	89.2 ¹

While the condition of the metal industry as a whole is not yet satisfactory, it has certainly made wonderful progress in the last few years and the next few years will, no doubt, place Russia among our strongest competitors.

The development of the manufacture of machines and implements in Russia has been sacrificed in order to encourage other industries. Whenever it has been essential to the rapid development of any particular trade that tools should be imported free of duty they have been placed on the free list; consequently the growth of this branch of manufacture has been slow.

*Machinery
and tools.*

¹ Industries of Russia, Vol. I., p. 175.

The industry has, however, already reached large proportions, the amount in 1890 exceeding \$25,000,000. The tariff of 1891 will tend to have a greater effect upon the manufacture of machinery and tools than upon any other article. The industry is now fully protected, and as it has become an especial solicitude on the part of the government, this progress will be watched and encouraged in every way possible, which means that it will be fully developed at the earliest possible time.

Two hundred and fifty years ago, at the time when Bohemia was making glass goods of such excellent and beautiful quality for all Europe, the first glass works were established in Russia. Peter the Great, at the beginning of the eighteenth century, founded the Imperial Glass Works, and different sovereigns since have given especial aid to the development of the industry. A distinguished writer, who has made a special study of the different trade interests of Russia, says :

Glassware.

The second half of the last century was signalized by the development of the glass industry and by the production of the highest grades of wares, such as crystal, Venetian glass, filigree and glass tissue. The principal motive for the introduction was a most sincere and earnest desire to develop the home trade and to raise its standard by joining to it new and related branches of independent industries. With this desire many promoters of the time were thoroughly imbued. Amongst them were some who were possessed of an inborn genius and love of technique; being also endowed with great energy they became powerful movers in the trade development of the Empire.

The principal characteristic of these promoters was, amongst other things, the capacity of influencing others to take an active part in the development and in the fruits of the new industry as directed by their own labors. Their thirst for activity extended much farther than to the satisfying of their own personal interests; they invited co-operation by publishing articles on the profitable character of the glass trade, by describing their own factories to all comers, and thus exerted a great influence upon the industry. In a word, these men were exemplary promoters, who have left as a noble inheritance their worthy examples to inspire contemporary and future generations.

In Siberia glass works were founded very early. In 1850 there were in all 200 glass and crystal works in Russia, their output amounting to about 3,000,000 roubles. In 1890 the production had increased to 11,479,000 roubles.

The value of the production of pottery and earthenware in 1890 amounted to only 4,404,000 roubles, yet this industry was among the first to be established in Russia. It is only of late that the more perfect development of the manufacture of articles for households has taken place. Till recently most of such articles were imported, and the development of native industry has been confined to articles of necessary use or for household utensils. In fact, it has been the needs of the men composing the Russian army in different ages, that have led to the establishment and growth of many of Russia's greatest industries. To this can be traced the introduction and progress of cotton, woolen, linen,

Pottery.

*Chemical
manufac-
tures.*

manufactures of leather goods, as well as side-arms and other implements of warfare.

So long as the people of Russia were exclusively devoted to agriculture, no real chemical manufactures existed in the Empire. The industry, therefore, has been but recently established and has not yet reached any considerable value. The raising of customs duties produced a considerable improvement not only in the manufacture of chemicals but in many of the important raw materials necessary for that industry. This fact was taken into consideration in revising the custom laws in 1891. Duties were thoroughly systematized and in many cases raised. The effect has already shown itself in the production of soda, bleaching powders, and many other substances. The chemical industry of Russia, however, must be considered as only in the first stages of its growth. The production of chemical and dye goods does not begin to satisfy the great demand, although the development since 1891 has been rapid. As with the help of protective duties the industry gains strength, not only will the production be equal to the home demand, but a large export trade can safely be expected.

*Gas and
naphtha.*

Most Russian towns, mills and houses are lighted by kerosene lamps, though the use of gas and electric lights is on the increase. The cheapness of kerosene and the many advantages of electricity, the latter being considerably used in the mines, have checked to a considerable extent the manufacture of illuminating gas in Russia. The number of matches made in Russia was 144,747,325,000, in 1891, amounting in value to about 5,000,000 roubles. In no industry of Russia can we find such rapid progress and advancement, as is seen in the establishment and development of naphtha. This is undoubtedly due primarily to the fact that natural as well as governmental laws contribute to its production. The statistics of the production of naphtha are at best unsatisfactory. For the years previous to 1875 no reliable statistics are to be obtained. Since that time, however, data have been collected by representatives of mining and excise officers and are considered very reliable. In 1876 the production was 1,000,000 barrels. In 1890 the production was 25,000,000 barrels. From 1890 to 1891 a total of about 150,000,000 barrels was attained and the production has increased yearly with great rapidity.

Cement.

The quality of Russian Portland cement is considered equal to that of the best English and German cements. The production in 1890 as given at the meeting of the cement manufacturers in St. Petersburg in 1892, was 920,000 casks of about 396 pounds each. The total annual consumption of cements in Russia amounts to 504,000,000 pounds of home manufacture, and about 54,000,000 of imported. The prices of Russian cements are considerably less than foreign prices plus duty, showing that the protective system of Russia by increasing home competition, lowers the prices, benefiting the consumer, at the same time giving employment to native

workmen, and keeping money at home which would otherwise be sent to foreign countries.

The efficacy of protection to an industry whether by import duties, bounties or other governmental aid, is nowhere so apparent as in the development and success of the beet sugar industries in the countries of the European continent. The industry was begun in Russia simultaneously with other countries at the beginning of the present century, receiving government aid from the start. It was not till 1834 that the technical part was thoroughly mastered and the advantages thus derived resulted in such improvement as very considerably to increase the output. The tariff was greatly strengthened in 1841 when the importation of colonial raw sugar by land was prohibited. In 1855, 395 manufactories had been established. From this time on the industry advanced rapidly. Capital was attracted, stock associations were formed, and an improvement was shown in both beet plantations and manufactories. Sugar of home production not only checked all importation, but soon formed an article of export. The government continued to encourage the industry. An excise tax was early established and the revenue obtained was considerable. The industry enjoyed complete protection. Frequent investigations were made by the government and the statutes were constantly revised to meet changed conditions. The industry is now among the most prominent of Russia. In 1891 the production exceeded 1,000,000,000 pounds using over 10,000,000,000 pounds of beets. The export of raw sugar in 1891 amounted to 220,000,000 pounds and of refined sugar to 45,000,000 pounds. The total importations in 1891 of all raw and refined, including candy, were only 138 tons. The total production of refined sugar in 1892 was 648,000,000 pounds. The growth of this industry in Russia, Germany and France affords an example of the worth of governmental aid that could well be emulated by the United States. There is no reason why we should not produce all the sugar consumed by our people. The bounty aid established in 1890 by the McKinley bill gave a sudden impetus to the growing of beets and the making of raw sugar, but with the repeal of this law, by the free traders, came a check to the growth of the industry and we must continue to import nine-tenths of our raw sugar, till the protectionist can again come to the aid of home producers.

Beet sugar.

The production in 1890 of the most important branches of mining can be seen from the following table :

Mining.

	Weight. Pounds.	Value. Roubles, Gold.
Gold, ...	2,155	30,402,900
Silver, ...	1,011	923,400
Platinum, ...	173	692,000
Copper, ...	349,500	2,796,000
Lead, ...	51,100	51,000

	Weight. Pounds.	Value. Roubles, Gold.
Zinc, ...	230,400	553,000
Mercury, ...	17,835	535,000
Tin, ...	800	8,000
Pig iron, ...	56,560,000	22,624,000
Coal, ...	367,203,500	12,852,200
Salt, ...	84,857,200	3,394,300
Naphtha, ...	242,941,600	3,717,700
Manganese ore, ...	11,139,700	389,900
Sulphur, ...	9,800	5,500 ¹

The number of men employed is about half a million, and the total value of the annual production is about \$62,000,000.

Agriculture.

To attempt a comprehensive examination of the agricultural life and productions of Russia would be impossible in the time and space at the writer's disposal. Over 110 nationalities spread over 407,000 square miles, with varied conditions of soil and climate, are engaged in an almost innumerable variety of pursuits. Only an attempt will be made, therefore, to summarize the condition of the industry as a whole, giving the reader a general view of the agricultural industry as it appears at the present time. Russia is by no means a land of snow and ice. Every variety of climate is found and almost every variety of soil. Nowhere does the rural population predominate so largely over the urban. Nearly, if not quite, 90 per cent of the people are engaged in rural pursuits and about 1,000,000,000 acres of land are under more or less cultivation. Previous to 1861 the large proportion of farm workers were serfs or slaves. But by the Emancipation Act of February 19, 1861, all serfs were set free.

The ownership of lands at the present time may be divided as follows:

	Acres.
Peasant lands, ...	354,666,222
State, ...	406,061,815
Crown, ...	19,890,688
Private, ...	252,101,145
Church, monastery, town, ...	23,165,508

As will be seen the State is the largest land-owner. More than half the rest is made up of peasant lots owned by the communes, while private individuals own less than one-fourth. The form of land ownership is, however, a satisfactory one and gives the agriculturist independence and a love for his chosen work. Among the chief industries may be mentioned: Forest culture, flax growing, beet raising, grain cultivation, including wheat, oats, millet, barley, rye and buckwheat. To the raising of peas, potatoes, tobacco and cattle somewhat less attention is given. Alternation or rotation of crops is resorted to and years of rest are sometimes given to certain portions of the land, before another rotation commences. Tobacco, however, is cultivated for several consecutive years on the same

¹ The Industries of Russia, Vol. IV., p. 57.

plantations with the help of fertilizers, then giving place to cereals. Gardening, while not so extensive as field culture, is nevertheless a means of livelihood of a large number of people. Among the vegetables grown are cabbages, cucumbers, onions, melons, pumpkins, tomatoes, peas, beans, asparagus, chicory and bulbous fruits. The greatest development is seen in the country about St. Petersburg and Moscow, the two vast markets for garden produce. Fruit trees and shrubs grow all over the country, apples and cherries predominating, though in the south are found pears, plums, grapes and peaches. Nearly all kinds of berries are also found. The cultivation of the grape is one of the principal branches of the south and the varieties are so numerous that it is impossible to name them all. The wine is generally a mixture of juices and is not of a very high quality.

Abundance of pasture lands makes stock-raising very profitable. The following table shows the present number of animals :

Stock-raising, etc.

Horses, ...	25,935,000
Cattle, ...	32,884,000
Sheep, ...	63,902,000
Swine, ...	11,464,000
Camels, ...	429,000
Goats, ...	672,000
Stags, ...	533,000 ¹

The breeding of horses is very considerable though, except in draft horses, not yet equal to other countries. Sheep raising is very successful and has always been encouraged by Russian sovereigns since Peter the Great, who imported the fine merino sheep from Silesia. In European Russia upward of 250,000,000 pounds of unwashed and scoured wool is produced, of which about two-fifths is merino wool. Poultry, bees, silk worms, dairy products and many other employments go to make up the total of agricultural industries. The average amount paid for male labor will not exceed \$50 per year, and for female hire, \$30. This includes food and lodging.

Farming machines and implements, while not used to the extent practiced in the United States, are both made and imported in considerable quantities. The making of farm implements has been encouraged by the government by subsidies, as foreign goods have been admitted free to help the farmers while different manufactures were developing. Hand-work is so cheap, however, that labor-saving machines are not so universally used as in the United States. Much attention is paid to agricultural schools which are well attended and with most beneficial results. Farms are connected with the schools giving the students practical as well as theoretical knowledge. The so-called household industry of Russia comes properly under agriculture. The farmer devotes all his leisure to it,

¹ The Industries of Russia, Vol. III., p. 205.

while the women and children are always at work. Among the articles made are the following: wheels, carts and sledges, barrels, tubs, pails, furniture, boxes and the like, plaited articles, baskets, mats, shoes, etc. Spoons are made in large quantities. Then there are leather goods and nets. Weaving and spinning is carried on by nearly every household. The working of precious stones, the making of jewelry and the manufacture of lace, adds much to the income of many peasants.

Fishery is a very important Russian industry. There are a half million regular fishermen, and several million peasants follow the occupation when not otherwise employed. The annual product amounts to nearly 2,500,000,000 pounds. In curing alone, 360,000,000 pounds of salt is used.

As has been the case in Russian manufactures, so in agriculture can its great progress and present importance be traced to government aid and encouragement. By legislation of various forms, by protection, by schools, by the propagation of instructive literature, by exhibitions and numberless other means, have the farming interests of Russia been advanced and maintained. The best seeds and stock have been brought from abroad and cultivated, so that to-day Russia stands among the foremost of agricultural countries with limitless resources and capabilities.

The total foreign trade of Russia in 1890 amounted to \$496,850,000, exports forming 64.7 per cent, and the imports 35.3 per cent, respectively, of the whole. In 1891 the exports still further exceeded the imports. To show of what the foreign trade of Russia consists, the following table of imports and exports is taken from the report of the United States Consul J. M. Crawford:¹

*Foreign
trade.*

Imports.

TABLE SHOWING THE VALUE OF IMPORTS INTO RUSSIA IN 1890 AND 1891.

	1890.	1891.
Cereals, ...	\$261,500	\$190,000
Rice, ...	189,000	226,500
Flour, ...	195,000	126,000
Vegetables, ...	196,500	95,500
Oranges and lemons, ...	1,288,500	1,200,500
Fruit, ...	502,500	547,500
Capers and olives, ...	148,500	152,000
Nuts and almonds, ...	405,500	349,500
Cloves, cinnamon and pepper, ...	784,000	654,000
Coffee, ...	2,694,500	2,563,500
Cocoa, ...	246,500	232,000
Tea, ...	14,591,500	13,866,000
Tobacco, ...	1,532,000	726,000
Cigars, ...	258,000	230,000
Hops, ...	473,500	419,500
Spirits, ...	660,500	741,500
Wine, ...	3,551,000	3,498,500
Mineral waters, ...	259,500	264,000
Salt, ...	130,500	106,000
Cheese, ...	305,000	383,000
Butter, ...	632,500	346,000

¹ No. 143, p. 738.

ARTICLES.	1890.	1891.
Fish, ...	\$ 341,000	\$ 365,500
Caviar, ...	374,000	387,000
Salted Fish, ...	84,500	66,000
Herrings, ...	3,613,500	2,942,000
Animals, ...	466,000	434,500
Manuring substances, ...	686,000	461,000
Lard, ...	315,500	403,500
Spermaceti, etc., ...	283,500	280,500
Paraffin, wax, etc., ...	661,000	628,500
Skins, ...	2,268,000	2,028,500
Leather, ...	3,575,500	2,619,000
Leather goods, ...	281,000	430,500
Wood, ...	2,445,000	2,155,500
Cork tree, ...	722,000	758,500
Wooden goods, ...	152,500	243,500
Furniture, ...	565,500	549,000
Plants and seeds, ...	2,094,000	2,163,500
Clay, chalk, talc, etc., ...	386,500	379,500
Plaster, lime, etc., ...	150,500	103,500
Cement, ...	360,000	256,500
Precious stones, ...	754,000	568,000
Fire bricks and clay, ...	\$360,500	\$402,000
Pottery, ...	268,500	257,500
Earthenware, ...	353,000	379,500
Glassware, ...	914,000	807,000
Coal and turf, ...	5,360,000	5,167,000
Coke, ...	755,000	727,500
Tar, anthracene, etc., ...	183,500	155,000
White resin, ...	761,500	836,500
Caoutchouc (rubber), ...	1,923,500	1,631,000
Chemical goods, ...	5,973,500	5,598,000
Vegetable oils, ...	2,868,500	3,421,000
Ethereal oils, ...	168,500	161,500
Cosmetics, ...	309,500	311,000
Tannin, ...	304,500	348,000
Dyestuffs, ...	6,906,500	6,218,500
Metallic ores, ...	15,558,500	13,378,000
Gold articles, ...	107,000	194,500
Silver articles, ...	232,500	176,500
Metallic goods, ...	6,533,500	6,271,000
Engines and models, ...	9,700,500	10,014,500
Mathematical, physical, and other instruments, ...	671,000	780,500
Clocks and watches, ...	1,676,500	1,291,500
Musical instruments, ...	487,500	479,500
Vessels, ...	1,813,000	2,086,500
Rags, ...	123,500	104,500
Wood pulp, ...	646,000	634,500
Paper, ...	1,533,500	1,540,500
Books and pictures, ...	886,500	960,000
Cotton, ...	33,857,000	29,629,500
Jute, ...	603,000	886,500
Flax and hemp, ...	63,500	55,000
Floss silk, ...	808,000	1,218,500
Wool, ...	2,075,000	1,966,000
Yarn :		
Cotton, ...	4,203,500	2,418,000
Jute, ...	169,000	138,500
Silk, ...	3,143,500	3,026,000
Wool, spun, ...	7,590,500	5,545,000
Cotton tissue, ...	1,149,000	1,215,000
Flax and hemp goods, ...	696,500	613,500
Handkerchiefs and ribbons, ...	719,500	602,500
Woolen goods, ...	2,009,500	2,082,500
Wearing apparel, ...	306,000	300,500
Toys, ...	653,500	607,500

Exports.

TABLE SHOWING THE VALUE OF EXPORTS FROM RUSSIA IN 1890 AND 1891.

ARTICLES.	1890.	1891.
Cereals and other breadstuffs, ...	\$159,981,000	\$175,887,000
Potatoes, ...	230,000	366,000
Vegetables, ...	211,000	103,500
Anise, ...	302,000	204,000
Fruit, ...	386,000	122,500
Meat :		
Fresh, ...	176,000	247,500
Pork, ...	986,000	252,500
Salted, ...	138,000	248,000
Pork, ...	283,500	94,000
Cheese, ...	178,500	189,500
Butter, ...	1,618,500	2,093,000
Margarine, ...	239,000	156,500
Eggs, ...	6,147,000	6,326,000
Treacle, ...	29,500	82,500
Sweets, ...	179,500	156,000
Caviar, ...	1,163,000	1,096,000
Fish :		
Fresh, ...	298,000	377,500
Salted, ...	786,500	1,225,000
Sugar :		
Soft, ...	1,960,500	9,351,000
Refined, ...	288,500	322,000
Tobacco, ...	808,000	537,500
Cigars, ...	151,000	186,000
Spirits, ...	2,615,000	2,357,000
Liquors, ...	96,500	135,500
Wine :		
In barrels, ...	50,000	21,500
In bottles, ...	27,000	46,500
Crude and half-manufactured articles :		
Timber, ...	26,287,000	20,969,500
Seeds, ...	20,525,000	15,807,000
Linseed cakes, ...	1,149,500	1,366,000
Flax cakes, ...	219,000	170,500
Sunflower cakes, ...	643,000	770,000
Other cakes, ...	665,090	794,500
Licorice, ...	137,000	253,000
Flax, ...	25,191,000	20,666,000
Tow, ...	1,834,000	1,866,000
Hemp, ...	7,663,000	7,793,500
Tow, ...	663,500	614,500
Furs, ...	2,273,500	2,695,000
Skins, ...	2,944,000	3,918,500
Bones, ...	1,003,000	813,000
Manuring substances, ...	202,500	104,500
Horsehair, ...	594,500	923,500
Bristles, ...	4,230,500	3,619,000
Down, ...	97,000	87,500
Feathers, ...	741,000	801,000
Yarn :		
Flax, ...	41,500	23,500
Hemp, ...	288,000	211,000
Rags, ...	214,000	211,500
Lard, ...	534,500	448,500
Cocoons, ...	147,000	107,000
Silk combings, ...	399,000	175,000
Silk, ...	262,000	100,500
Wool, ...	7,116,500	7,077,500
Stone, ...	104,000	77,000
Tar, ...	275,000	204,000
Manganese, ...	1,521,500	835,000

ARTICLES.	1890.	1891.
Metals, ...	\$1,112,000	\$864,000
Naphtha, ...	54,500	77,500
Oils:		
For lighting, ...	9,540,000	10,710,000
Naphtha, ...	2,301,500	2,297,500
Vegetable, ...	118,000	114,000
Turpentine, ...	377,000	389,500
Dyestuffs, ...	93,500	99,500
Potassium, ...	65,500	87,500
Drugs, ...	682,500	599,000
Isinglass, ...	394,500	421,500
Birds, ...	1,728,000	1,852,500
Poultry and game, ...	376,500	299,500
Cattle, ...	468,500	440,500
Pigs, ...	20,500	1,486,000
Sheep, ...	282,000	655,000
Horses, ...	1,991,000	2,542,000
Bricks, ...	26,500	38,000
Earthenware, ...	68,500	79,500
Glass and china, ...	64,000	141,500
Metal goods, ...	712,500	1,213,500
Furniture, ...	185,500	171,500
Wooden goods, ...	191,000	52,000
India-rubber goods, ...	569,000	691,000
Mats (Russian), ...	77,000	87,000
Leather goods, ...	424,500	432,000
Flax and hemp goods, ...	1,046,500	1,053,000
Silk stuffs, ...	107,000	67,000
Woolen stuffs, ...	985,000	733,500
Cotton tissue, ...	1,589,500	1,200,000
Wearing apparel, ...	1,352,000	1,747,000
Cosmetics, ...	131,000	115,500
Millinery, ...	233,500	217,000
Mattresses, ...	238,000	546,000
Candles, ...	171,000	109,500

An examination of Russia's industrial growth as industry after industry has been developed, will show first a gradual decline in the importation of all raw materials capable of being produced at home, then a decline in the importation of manufactured articles as home production began to supply the demand, then an increase of exports of such materials, both raw and finished, as were produced in excess of home demand. This shows a natural healthy growth. There is no spasmodic movement but a steady progress in every thing possible for the Russian to grow or manufacture.

In 1890, 10,806 vessels with 6,975,000 tonnage went to Russian ports, while 10,640 vessels with 6,941,000 tonnage departed, 12 per cent of which were Russian, 36 per cent British (55 per cent of the measurement), 16 per cent German, 14 per cent Swedish and Norwegian, 10 per cent Danish, 7 per cent Greek and 7 per cent Turkish.

To get at the true value of the internal trade of any country is impossible; and in Russia it is particularly difficult, owing to the vast territory, the long distances and the variety of conditions under which the inland trade is carried on. The only figures available, and only approximate at that, are the following :

*Internal
trade.*

Internal trade.

Product of manufacturing and mining industries,	1,656,000,000 roubles.
Breadstuffs, ...	1,400,000,000 "
Foreign imports, ...	416,000,000 "
Turnover for the transport of goods and passengers,	523,000,000 "

Total, ... 3,995,000,000 roubles.

When the commercial undertakings and their turnovers are reckoned, the results will prove as follows:

	Number of undertakings.	Annual turnovers. Roubles
Personal Guild and Non-Guild enterprises,	383,000	7,344,000,000
Joint stock companies, and those based on mutual responsibility, ...	740	6,711,000,000
Total, ...	383,740	14,055,000,000

The commercial companies, with regard to their number and especially to their turnovers, are very unequally distributed among separate governments. Those of St. Petersburg and Moscow, as well as those in which manufacturing is more developed, have the precedence, as may be seen from the accompanying table comprising the most active governments in respect to trade:

GOVERNMENTS.	Number of Companies (share guilds and non-guilds).	Annual business in roubles.
St. Petersburg, ...	18,857	4,647,000,000
Moscow, ...	19,086	2,969,000,000
Kherson, ...	10,918	1,447,000,000
Lithuania, ...	6,693	545,000,000
Warsaw, ...	9,912	542,000,000
Kharkov, ...	7,325	408,000,000
Kiev, ...	11,897	406,000,000

The distribution of the firms and their turnovers shows no less variety with regard to the different branches of trade to which they belong. The more prominent of these branches, according to the number of the firms and the amount of their business, are the following:

BUSINESS FIRMS.	Number of firms (joint stock, guild and non-guild).	Annual business in roubles.
Loan, banking and commission establishments, ...	3,388	10,166,000,000
Trade in manufactured goods, ...	37,450	637,000,000
Trade in grain and flour, ...	16,681	481,000,000
Hotels, restaurants, buffets, drinking halls, inns, ...	103,080	263,000,000
Transport agencies, railways excluded, ...	2,259	239,000,000
Wine stores, wine cellars, ...	19,245	211,000,000
Trade in metallic wares and machinery, ...	7,585	144,000,000
Lumber trade, ...	5,839	108,000,000
Trade in ready-made clothes, hats and fur articles, ...	5,662	102,000,000 ¹

Fairs.

Peculiar to Russia are her great fairs. It is, of course, impossible to give their exact number or the amount of business transacted. Perhaps

¹ The Industries of Russia, Vol. II., p. 479.

there are nearly 3000 fairs with 200,000 tradesmen doing about \$700,000,000 worth of business annually. The ancient establishment of these fairs was due to the lack of transportation facilities. Peasants and middlemen gathered, therefore, at convenient centres, and a general exchange of goods ensued. The government has always encouraged and protected these great trade gatherings, and they have no doubt been of great advantage and served in many ways to promote the commercial life of Russia. A falling off has been noted in recent years, however, as railways have been built and extended, though it is not probable that even perfected and rapid means of transportation will cause their entire cessation.

The trade and commerce of the Empire as a whole has been considered. It now remains to examine briefly the condition of the people. As has been seen, the great proportion of Russian laborers are agriculturists, though as manufacturing is extended workers are drawn from the farms. It has been noted that many of the land-owners and workmen on farms give more or less attention to home manufacturing. Wages are small, and because of the changes in price of labor, it is difficult to give any exact data. The highest wages, however, are those paid in steel and machine factories, where the workmen get on an average about \$390 per year. The smallest wages are found in the cotton mills, where the average wage ranges from \$80 to \$150 a year. Women's wages are about one-half those given to men, and children's one-third. The wants of the Russian are few. He spends very little even of the small amount he earns. His food is simple, his apparel coarse and plain, and his hut, barrack or lodging place, while ample and comfortable, is exceedingly primitive in character. The number of working hours can be seen from the following:

*Condition
of the
working
classes.*

Factories having over 12 hours a day, 20 per cent; 12 hours, 36.8 per cent; 11 hours, 20.8 per cent; 9 hours, 21 per cent; 8 hours, 1.6 per cent; 7 hours, 0.4 per cent, and 6 hours, 0.2 per cent.

The following table is compiled from tables of wages given in "The Industries of Russia: "

INDUSTRY.	Average yearly wages. Roubles.
Cotton manufacture, ...	157.83
Cotton-weaving industry, ...	174.98
Cotton-spinning and weaving industries, ...	152.88
The manufacture of chintz and kerchiefs, and the dyeing of cotton tissues, ...	180.00
Tape, galoon, lace and trimming manufactures, ...	171.06
Wool-spinning and wool-combing manufactures, ...	190.56
Spinning of carded wool (worsted), ...	156.71
Mechanical and hand-weaving of wool, ...	214.71
Spinning and weaving of wool and the finishing department, ...	197.02
Cloth manufactory, ...	124.47
Cloth-trimming manufactory, ...	134.07

INDUSTRY.	Average yearly wages. Roubles.
Wool-weaving, printing and dyeing manufactories, ...	169.00
Hat manufactory, ...	206.00
Silk-weaving manufactory, ...	207.10
Silk lace manufactory, ...	436.08
Velvet manufactory, ...	211.10
Spinning and combing of flax, ...	116.35
Spinning and weaving of flax, ...	124.31
Spinning and weaving of flax, and the bleaching of linen, ...	128.46
Flax-weaving manufactory, ...	145.00
Linen-bleaching manufactory, ...	185.36
Production of articles in jute, ...	166.89
Production of gutta-percha articles, ...	260.71
Paper manufactory, ...	175.06
Tapestry manufactory, ...	209.37
Sawmills, ...	237.17
Production of bent wood furniture, ...	176.06
Cast-iron and mechanic foundries, ...	321.74
Steel foundry, ...	524.28
Construction of machines and cars, ...	300.84
Machine and ship construction, and iron-rolling mills, ...	337.91
Construction of telegraphs—The making of electro-technical apparatus, ...	517.14
Production of wire and horseshoe nails, ...	325.36
Production of screws and other metallic articles, ...	287.06
Production of artistic bronze and copper articles, ...	322.03
Plated goods manufactory, ...	346.18
Chemical industry, ...	282.10
Match industry, ...	121.26
Glass manufactory, ...	244.07
Cement manufactory, ...	189.24
Earthenware manufactory, ...	191.06
Brick manufactory, ...	164.09
Flour manufactory, ...	305.06
Beer and mead breweries, ...	211.03
Beet sugar production and sugar refineries, ...	159.60
Tobacco factories, ...	147.10
Leather manufactory, ...	328.57
Machine production of boots and shoes, ...	292.28
Soap manufactory, ...	218.00
Typographic industry, ...	308.42

*Effects
of the
protective
policy.*

It is estimated that the peasant workers earn from 75,000,000 to 100,000,000 roubles yearly. This is mostly gained outside of farm work in the numerous small industries before alluded to. This, however, represents but a small part of the value of their work, as the middlemen make 100 to 1000 per cent profit on their wares. Considering the character of the people and past facilities for transacting business, it must be conceded that the progress made in recent years is most remarkable. With the further development of railroads and other means of frequent

and rapid transportation, the trade and commerce of Russia will, no doubt, show wonderful results. With a governmental policy fully committed to a thoroughly protective tariff, with a growing ambition not only to supply their own wants with everything that can be produced, but to reach out for other markets, the industrial attainments of Russia are bound to become enormous. Their abundant natural resources, their low wages and frugal, easily satisfied host of laborers, will enable them to become foremost competitors as producers, while their ability to supply the home market will eliminate them as a foreign market of any importance. From a Russian standpoint then the wisdom of a protective tariff has been and is being fully vindicated and proved beyond question ; when it is considered that in 1894 the production of the four cereals, wheat, rye, oats and barley exceeded 1,915,640,000 bushels; when it is considered that she is supplying 25 per cent of the cotton worked up in the country (in 1887 only 906,000 pouds of Russian cotton was used, while in 1892 the production reached 3,800,000 pouds); when it is considered that Russia has 6,000,000 cotton spindles and occupies the second place on the Continent in the cotton industry ; that the sugar industry has doubled in a dozen years; that the manufacture of iron has increased 68 per cent in the last dozen years; that the production of steel has increased 59 per cent in the same time, that the production of cast iron has increased 160 per cent for that period; that the production of coal has advanced 129 per cent in twelve years; that the naphtha production has increased from 21,400,000 pouds in 1880 to 337,000,000 pouds in 1893, and that a similar increase has taken place in countless other productions; when the extension of railroads is considered, we may well ask, as may England and Germany, what the result will be in the near future. With her declining imports and increasing exports Russia must no longer be considered one of those neutral markets so much sought after by the American free-trader. She must be regarded as a most important competitor, as a rival of the first rank.

CHAPTER III.

FRANCE.

The Revolution, however, now coming, the people did for themselves what their masters had refused to do; re-establishing the system of Colbert, the greatest statesman the world yet has seen, and making protection the law of the land. Since then, consuls and kings, emperors and presidents have flitted across the stage; constitutions almost by the dozen have been adopted; the country has been thrice occupied by foreign armies, and thrice has it been compelled to pay the cost of invasion and occupation; but throughout all these changes it has held to protection as the sheet anchor of the ship of state. With what result? With that of placing France in the lead of the world in reference to all that is beautiful in industrial and pictorial art. With that of making her more independent, commercially, than any other country of the world.—*Henry C. Carey.*

There is something in the commercial prosperity of France which by-and-by may convert skeptics to Victor Hugo's poetic doctrine that she is the "mother of nations" and the "crown of the universe." It was a cruel taunt to throw at the victor of Sedan, that the milliards of her war indemnity had made her no richer, while France had paid them and felt herself no poorer. [This was a free trade period in Germany.] In a retrospect of the four years which have elapsed since the treaty of Frankfort, Germany appears as the commercial victim of the war. Her internal trade has been paralyzed, her industry has stagnated under the influence of enormously increased prices, and the poverty of her laboring classes has been intensified by higher cost of living. The milliards were appropriated to military purposes, and had no opportunity of assisting the country to recoup its own war losses.

France during the same period has been prosperous beyond comparison with her plodding, hard-fisted rivals. She is the one country in Europe that suffers no commercial reaction. She wears a charmed life among the perils and vicissitudes of foreign trade. Where all else retrogrades or remains stationary, she progresses.—*British Trade Journal, July 1, 1875, pp. 691-692.*

Taken altogether it [Colbert's System] composes the finest politico-economic edifice ever created by any government. Alone among the ruins of the past it has remained standing, and towers now at its greatest height notwithstanding the shock of revolutions. He [Colbert] opened the way for the national labor in a manner at once wise and regular, and to his measures is due the fact that France ceased to be exclusively agricultural, and became enriched by the new value given to her land and to the labors of her people.—*Blanqui, Histoire de l'Economie Politique, Vol. II, p. 6.*

The growth of industries in France under protection may be said to have begun with the close of the Napoleonic wars. Previous to that date their development was beset with many difficulties which retarded their growth and prevented the expansion of their trade. During short intervals of peace scarcely had material prosperity set in before it received a check and progress was again arrested.

Early
economic
condition.

A brief historical outline of some of those political, civil and religious events which distracted and impoverished the country up to so recent a date, will serve to explain the slow progress which was made during so many centuries. Prior to the sixteenth century the country affords nothing of interest to aid in forming conclusions with regard to those economic questions which have been under discussion during the present century. Up to the time of Henry IV. (1589) owing to the dominion of feudal lords, the continual strife between kings and nobles, the foreign wars, and especially the character of the civilization, little attention had been given to the arts of industry. Although the manufacture of silks and other articles which had been carried on in the Italian cities had early been extended to the districts about Lyons and other places in Southern France, yet under feudalism which prevailed, the people lived almost wholly by cultivating the soil, engaging only in that system of household or domestic production of tools, clothing and rude articles, such as were made all over Europe to supply necessary wants.

For two hundred and fifty years, under thirteen kings, the French throne had been occupied by the House of Valois, which became extinct in the year 1589 by the assassination of Henry III. In the midst of a most cruel and barbarous civil and religious struggle, lasting for nearly forty years, Henry of Navarre ascended the throne. During this period 128,000 houses had been destroyed and the lives of 800,000 persons sacrificed. The public treasury was empty, the national resources of the country were exhausted, and bankruptcy, ruin and beggary pervaded the whole country. Taxes were more severe and burdensome because of the corruption practiced, by which only one-half of the amount collected reached the public treasury. The art of agriculture had been neglected and the whole country was reduced to a most deplorable condition. It was under these circumstances that Henry IV. (Henry of Navarre) entered upon his administration and attempted to restore France to a prosperous condition. Absorbed in political affairs, almost constantly engaged in open hostilities or in suppressing conspiracies, he personally gave but little attention to the financial affairs of the realm; yet enough is known of his views of the proper industrial policy which a state should pursue to show that he would have entered vigorously upon the advancement of the material prosperity of the country had he lived in less turbulent times. "If I live," said he, "every man shall have a fowl to put in his pot for his Sunday dinner." Henry had been the leader of the Protestant forces of the country, and his title to the throne was, therefore, disputed by the Pope and Philip of Spain. For five years he waged an unsuccessful war to gain the crown. Becoming satisfied, however, that none but a Catholic king could rule over France, he renounced the Protestant faith and took what he himself termed "the perilous leap." "In the Cathedral of St. Denis," says a historian of France, "upon his bended

*Accession
of Henry
IV.*

knees he publicly abjured his Calvinistic errors, and was restored to the bosom of the Church (1591)." One year after this he was given the keys of Paris, entered the city in triumph and was crowned King of France and Navarre. His reign was characterized by acts of generosity and impartiality toward all his subjects. While he had betrayed his Huguenot followers to win the coveted prize, his sense of justice and devotion to their principles still exercised an influence on his administration. The conflict between the Catholics and Protestants was brought to a close in 1598. The Edict of Nantes established a certain degree of religious liberty in France. It guaranteed to the Huguenots freedom of religious worship, admitted them to all public offices and employments, and a "Chamber of Justice was established to protect them in their rights. They were allowed to maintain, and to hold certain fortified places. They were to pay tithes to the Church, and to observe its festivals and Holy days."

A national industrial policy.

For nearly a century, under this edict, the Protestants enjoyed undisturbed the religious rights conferred. The importance of the reign of Henry IV. from an economic point of view, is found in the administration of the internal affairs of the State, through the direction of his great Minister of Finance, Sully. Sully was the king's tried friend, having been in his service since eleven years of age, followed him through his wars and finally become his intimate counsellor and adviser. It was he, who, although a zealous Protestant, advised Henry to become a Catholic. His capacity for business, his knowledge of finance, his administrative faculties peculiarly fitted him for the duties of Minister of Finance which he so well performed. He visited all parts of the country, personally supervised the collection of taxes, examined accounts and formulated a revenue system which at once relieved the treasury and put the administration on an independent footing. The nobles were forbidden to levy taxes on their own account. The exemption from taxation of the nobles, and all those who made the military a profession, was abolished. "With one-fourth the former taxes, by the end of the reign a surplus of 20,000,000 francs lay in the treasury." But this is not all that distinguished the career of this eminent statesman. His energies were also directed to internal improvements and industrial advancement. Highways and roads were built and improved. The city of Paris was adorned by the erection of churches, hospitals, bridges and quays. The army was reorganized and equipped, dockyards were established, and steps taken to build a navy. Sully also appreciated the importance of manufacturing. Artisans were invited from Holland and Venice. Special encouragement was given to the silk industry of Lyons and the tapestry industry of Paris. Sully set the example of state encouragement to industries, through which in later years France became one of the chief industrial nations of the world.

During the century which followed, the country was so absorbed in foreign wars that little attention was given to manufacturing, trade and commerce. The period from 1610 to 1643, the reign of Louis XIII., is distinguished for the administration of Cardinal Richelieu, one of most absolute despotism. No regard was had for the masses. He referred to the common people as "mules spoiled sooner by long rest than long work. If they were too happy it would not be possible to keep them in duty, if they were freed from taxes they would learn to be disobedient." France was again burdened with taxes to support expensive foreign wars and an extravagant court.

The reign of Louis XIV. began in 1643, when he was five years of age, under the regency of Anne of Austria and the ministry of Cardinal Mazarin, an Italian. It continued until 1715, a period of seventy-two years. It was not, however, until the death of this cardinal, which took place in 1661, that Louis himself assumed to exercise the prerogative of king. Mazarin had said that "there is in him stuff enough for four kings and one honest man." On one occasion, when Louis was eight years of age, Laporte had put on his hat and sat down in his presence. "How can you allow yourself," said Louis "to cover your head in my presence and sit down without my permission?" "Pardon me, sir," replied Laporte, "I did not think that a king was in the room; Monsieur, my cousin, you are at liberty to depart." In 1655 he dispersed parliament when it was attempting to revise certain tax laws, and informed them that hereafter "they should mind their own proper duties and not interfere with his ordinances." On the day after the death of Mazarin, when asked by the President of the Assembly of Priests, "To whom shall I hereafter refer questions of state?" Louis replied, "To me." From this time on he was sole and absolute ruler of France. His motto was, "The State is myself." The power of the nobles had been broken by Richelieu, and Mazarin had suppressed the parliament. Conditions were favorable for the absolute sway of a dominating character, without civil war or resistance. Mazarin had given more attention to foreign wars and military affairs than to the finances and internal development of the State. It was to his successor that the country was indebted for a restoration of prosperity.

Louis XIV.

Upon the death of Mazarin, Colbert soon became Minister of Finance. The economic policy inaugurated by Colbert, from a commercial point of view, is of the highest importance. Not only in the founding of colonies, the police and municipal regulations of Paris, the construction of merchant vessels, the erection of forts, and the construction of the Languedoc canal and many other public improvements, did he display his administrative abilities, but the encouragement given to manufacturing under his administration, placed him among the first prime ministers of all nations. To him is due the credit of introducing

Colbert.

*Protection
adopted.*

the system of protection to native industries in France. The first general tariff of duties on imports was enacted in 1664. The general principles upon which it was based are as follows:

1. To reduce the duties on the importations of all articles required for the manufactures of the kingdom.

2. To exclude foreign manufactures by raising the duties:

The principles embodied in the tariff regulations promulgated by him were in advance of the economic thought of other countries. It will be observed that the ideas entertained by modern protectionists were in great part understood by this minister. The import of those raw materials, the like of which cannot be produced at home, was encouraged through low duties. Affording ample protection to home industries by duties on competing imports, is to-day one of the cardinal principles adhered to by the protectionists of all countries.

In 1667 duties were greatly increased on hosiery, cloths of all kinds, tin, glass, prepared skins, carpets, fabrics, etc. It has already been pointed out that in 1665 Francis Van Robais was invited by Colbert from Holland to establish the Dutch art of spinning and dyeing wool and weaving and dressing fine cloth in France. He set up his factory at Abbeville and obtained the exclusive privilege of carrying on the business within ten miles of that city. It was through this instrumentality that the foundation was laid for weaving and dyeing those fine woollen fabrics which have since become famous in the markets of the world. Under the influence of such legislation many branches of industry were revived and became of great importance. Chantilly soon became noted for its laces, Cherbourg for glasses, Louviers for cloths, La Savonniers for carpets, Lyons for silks, and Paris for gobelin tapestry. The growth of industries which followed the policy introduced by Colbert, not only vindicated his acts, but the conception which he so early formed of the sound principles of protection, has made him famous as a statesman and conspicuous as an economist and financier. Although he died before he saw the full benefits of his system realized, yet he did more for France than any prime minister or monarch who had preceded him. Colbert could not, however, carry out his own ideas of economy and fiscal reforms. Cautioning the king against his extravagant expenditures he lost the favor of the monarch and was disgraced, treated with harshness, and died in 1683, nine years after he had assumed the duties of Minister of Finance.

Although Louis XIV. raised France to a degree of eminence and power to which it had never before attained, his reign was characterized not only by the most absolute tyranny, but by a spirit of religious bigotry and cruelty. While he patronized the industrial arts and in many ways advanced the material prosperity of the country, yet his persecution of the Huguenots, which began immediately after the death of

Colbert, inflicted a blow on the trade and industries of the country from which it did not recover during the century which followed. In 1685 the Edict of Nantes was revoked and the Huguenots were stripped of the privileges which they had enjoyed for nearly a century. Their ministers were driven out of the country, their schools were closed, and the worship of the Protestant religion was forbidden. The liberal professions, universities, and many of the trades and industries were closed to them. Hunted down with cavalry, thrown into prisons, shot down, broken over wheels, condemned to the gibbet for refusing to submit to a religious faith which was contrary to the dictates of their conscience, by hundreds of thousands they fled to other countries. 1685 is described as the year of the depopulation of France. All efforts to prevent their escape were ineffectual. It was asserted that they were taking their departure to show their disapproval of the restrictions which were placed on their going; yet when restrictions were removed emigration increased. It has been variously estimated by historians that the emigration reached from 300,000 to 400,000 persons, of whom 100,000 settled in Holland, 80,000 in England and America, 25,000 in Switzerland and 75,000 in Germany and Prussia; the rest went to Northern Europe and other places. The accession to the commercial and industrial population of those countries, and the manner in which they were welcomed, have been pointed out. The injury inflicted on the industries of France cannot be measured by the numbers alone. Artisans, merchants and trades-people not only took their skill with them, but their treasures and wealth. In speaking upon this phase of the question, R. S. Poole says:

*Persecution
of the
Hugue-
nots—
Evil effects
on industry*

It follows to ask what was the material loss involved in their exodus. Caveirac is again the lowest in his estimates; he will not grant the export of more than 250,000 livres. He might have learnt from Count d'Avaux himself that those least likely to magnify the sum confessed that by the very year of the Recall twenty million livres had gone out of the country; and it is certain that the wealthier merchants deferred their departure in order to carry as much as they could with them. Two hundred and fifty traders are said to have quitted Rouen in 1687 and 1688. Probably the actual amount was very far in excess of these twenty millions, and a calculation is cited by Macpherson which even affirms that every individual refugee in England brought with him on an average money or effects to the value of £60.

It will be needless to add many statistics of the injury caused by their withdrawal from France. Two great instances are typical of the rest. Lyons which had employed 18,000 silk-loomers, had but 4000 remaining by the end of the century. Tours with the same interest had had 800 mills, 80,000 looms, and perhaps 4000 work-people. Of its 3000 ribbon factories only sixty remained. Equally significant was the ruin of the woollen trade of Poitou. Little was left of the drugget manufacture of Coulonges and Chataigneraie, or of the industry in serges and bombazines at Thouars; and the export traffic between Chataigneraie and Canada by way of La Rochelle, was in the last year of the century absolutely extinct.¹

The blow inflicted upon the industries of the country by the loss of

¹History of the Huguenots, ch. 3 and 15.

*Other
obstacles to
economic
advance-
ment--The
Mississippi
Scheme.*

so much wealth, so many skilled artisans, experienced tradesmen and enterprising and industrious citizens, in fact presents only one phase of those conditions which tended to retard the industrial progress of the country. The form of government, the system of taxation, the domination of kings and nobles, the almost continuous foreign wars and internal strifes, were sufficient of themselves to keep France back. The corruption which prevailed in official circles, the extravagance and immorality of the court, all combined to reduce France to a most appalling condition. Upon the death of Louis XIV., Louis XV., then a mere child, became king, under the regency of his nephew Philip the Duke of Orleans, and Dubois became prime minister.

It was under the ministry of Dubois that an attempt was made to improve the finances of the country by debasing the coins of the realm and flooding the country with a vast quantity of paper money under the plan of John Law, known as the Mississippi Scheme. Public revenues had been exhausted. The expenditures exceeded the receipts by a large sum, the debt had reached the enormous sum of 5,000,000,000 francs and the government was without credit. The experiment in finance which was tried, only added to the calamities and business misfortunes from which the country was suffering. The metallic currency was depreciated one-fifth by a re-coinage scheme, through which a person could take one hundred pieces of gold or silver to the mint and have them re-coined into pieces, each having the same nominal value as the pieces presented, but only four-fifths of the weight. This attempt to make something out of nothing naturally failed. The scheme of Law involved the establishment of a royal bank which issued paper money based on the revenues of the government, and from its profits was to pay off the national debt. Subsequently the West India Company was organized, having for its purpose the colonization of the Louisiana territory, then owned by France, and the development of trade with the colony and the West India islands. The whole country was thrown into a state of excitement over the reports that were set afloat of the gold and silver in the colony, its resources, the magnitude of the trade and the profits which might be derived from the enterprise. A charter was granted to the company, stock was issued and put on the market for sale. The shares of stock soon advanced to thirty or forty times their cost. Paper money was issued to the amount of 2,000,000,000 francs. In a short time the tables were turned. The whole scheme proved to be a visionary adventure without a substantial basis. Ships did not return from the colonies with gold and silver as was predicted. The trade was insignificant. The people lost confidence and as the day for liquidation approached the whole country was plunged into bankruptcy and financial ruin. Law left the country to escape the wrath of his victims. The experience of the French people in this fiat money enterprise, although it entailed great suffering and hardship on those

who were victimized, served to furnish the world a lesson in financiering that has not been forgotten.

This was the condition of affairs in 1723 when the ministry of Dubois ceased and Louis, at the age of thirteen, began to rule with the Duke of Bourbon as his minister. It is not necessary here to recount the disasters which befell the country. Although Cardinal Fleury who succeeded to the ministry in 1726 attempted to preserve peace and restore the fortunes of the country, his efforts failed. The war of the Succession of Poland (1733-35), the war of the Austrian Succession (1741-48), and the Seven Years' War between France and England, which involved the British and French colonies in America, in what is known as the French and Indian War, from 1754 to 1763, left for the country but little peace. Upon the death of Louis XV., in 1774, Louis XVI., at twenty years of age became king and reigned until driven from the throne at the breaking out of the Revolution in 1789. He was finally tried, convicted and beheaded, for conspiring and plotting against the liberties of the people. A very brief review of the conditions which prevailed in France immediately preceding, and which culminated in the French Revolution, will serve to show how difficult industrial progress had become. All the privileges, property and political rights had become vested in the clergy, the nobles and the king. They enjoyed immunities, favors, pensions and preferments, while the mass of the population bore the burden of taxation. The privileged classes numbered about 270,000 persons, 140,000 nobles, 130,000 clergy. There were 25,000 to 30,000 noble families, 3000 monks, 2500 monasteries, 37,000 nuns, 1500 convents, and 60,000 curates and vicars in the churches and chapels. H. A. Taine gives the following description of the economic condition of the people:

*Louis XV.
and Louis
XVI.*

On each square league of territory and to each thousand of inhabitants, one noble family in its weather-cock mansion, in each village a curate and his church, and, every six or seven leagues, a conventional body of men, or women.

*Economic
condition
of the peo-
ple before
the Revolu-
tion.*

. . . . A fifth of the soil belongs to the crown and the communes, a fifth to the third estate, a fifth to the rural population, a fifth to the nobles and a fifth to the clergy. Accordingly, if we deduct the public lands, the privileged classes own one-half of the kingdom. This large portion, moreover, is at the same time the richest, for it comprises almost all the large and handsome buildings, the palaces, castles, convents and cathedrals, and almost all the valuable movable property, such is the total or partial exemption from taxation. The tax collectors halted in their presence, because the king well knows that feudal property has the same origin as his own; if royalty is one privilege, seigniority is another; the king himself is simply the most privileged among the privileged.

. . . After the assaults of 450 years, taxation, the first of fiscal instrumentalities, the most burdensome of all, leaves feudal property almost intact. . . . The privileged person avoids or repels taxation, not merely because it despoils him, but because it belittles him; it is a mark of plebeian condition, that is to say, of former servitude, and he resists the fisc as much through pride as through interest.

. La Bruyere wrote just a century before 1789, 'Certain savage-looking beings, male and female, are seen in the country, black, livid and sunburnt, and

*Condition
of the rural
population.*

belonging to the soil, which they dig and grub with invincible stubbornness. They seem capable of articulation, and when they stand erect they display human lineaments. They are, in fact, men. They retire at night into their dens, where they live on black bread, water and roots. They spare other human beings the trouble of sowing, plowing and harvesting, and thus should not be in want of the bread they have planted.' They continue in want of it during twenty-five years after this, and die in herds. I estimate that in 1715 more than one-third of the population, six millions, perish with hunger and destitution. The picture, accordingly, for the first quarter of the century preceding the Revolution, far from being overdrawn, is the reverse; we shall see that, during more than half a century, up to the death of Louis XV., it is exact; perhaps, instead of weakening any of its points, they should be strengthened. . . . Undoubtedly the government under Louis XVI. is milder; the intendants are more human, the administration is less rigid, the 'taille' becomes less unequal, and the 'corvée' is less onerous through its transformation, in short, misery has diminished, and yet this is greater than human nature can bear. Examine administrative correspondence for the last thirty years preceding the Revolution. Countless statements reveal excessive suffering, even when not terminating in fury. Life to a man of the lower class, to an artisan, or workman, subsisting on the labor of his own hands, is evidently precarious, he obtains simply enough to keep him from starvation and he does not always get that. Here, in four districts, 'the inhabitants live only on buckwheat,' and for five years, the apple crop having failed, they drink only water. There, in a country of vineyards, 'the vinedressers each year are reduced, for the most part to begging their bread during the dull season.' In a remote canton the peasants cut the grain still green and dry it in the oven, because they are too hungry to wait. . . . Between 1750 and 1760, the idlers who eat suppers begin to regard with compassion and alarm the laborers who go without dinners. Why are the latter so impoverished, and by what chance, on a soil as rich as that of France, do those lack bread who grow the grain? In the first place, many farms remain uncultivated, and, what is worse, many are deserted. According to the best observers, 'one-quarter of the soil is absolutely lying waste. Hundreds and hundreds of arpents of heath and moor form extensive deserts.' . . . This is not sterility but decadence. The régime invented by Louis XIV. has produced its effect; the soil for a century past is reverting back to a wild state. . . . In the second place, cultivation, when it does take place, is carried on according to mediæval modes. Arthur Young, in 1789, considers that French agriculture has not progressed beyond that of the tenth century.'¹

It seems hardly credible that such extremes could have existed in France. The French court and the life of the nobles were noted for their gayety, fashion and splendor, yet the masses were doomed to the most revolting servitude and degradation. It is a most remarkable fact that under the conditions described, the French peasants, the cultivators of the soil, had by 1760 become the owners of one-quarter of the land, possessed in small holdings, but this it must be remembered, consisted of the poorest land. "The small cultivator," says Taine, "however, in becoming the possessor of the soil assumes its charges. Simply as a day laborer and with his arms alone, he was only partially affected by the taxes, but now vainly is he poor and declaring himself still poorer; the fisc has a hold

¹Ancient Régime, book 1, ch. 1 and 2, and book 5, ch. 1, 2 and 5.

on him and every portion of his new possession." It seems, however, that the taxes became so burdensome that tillage was unprofitable. The poll tax alone, in 1715, amounted to 66,000,000 livres, in 1759 to 90,000,000, and by 1789 it had reached 110,000,000. The cry of the farmer was: "Too much is taken from me because not enough is taken from the privilege. Not only do the privilege force me to pay in their place, but, again, they previously deduct from my earnings their ecclesiastes and feudal dues."

Out of an income of 100 francs he was compelled to pay 53 francs to the collector, 14 to the seignior, and more than 14 francs to the church out of the remaining 18 or 19 francs. The collection of taxes was farmed out by the king, to venal and corrupt officials, who were permitted to keep all they collected over a certain sum. A law was enforced which compelled each family to buy large quantities of salt whether they needed it or not, for the purpose of swelling the revenue derived from the tax on this commodity. Peasants and laborers were compelled to work on roads and bridges without pay. The small farmer was under the absolute control of the nobles and subjected to the most arbitrary exactions and species of robbery. He must grind his corn at the lord's mill and press his grapes at the lord's wine press, and pay whatever sum was exacted. Louis engaged in corrupt schemes of impoverishing the people and filling the public treasury. The shipment of grain was prohibited from one province into another, while he lowered the price and bought up the surplus, and when the scarcity thus brought about enhanced prices, he sold at a profit. He laid tribute on the business and industrial classes by granting licenses and selling to individuals the sole right to engage in a particular calling or trade. Class hatred became intense and a spirit of unrest and jealousy pervaded the whole nation. The nobles looked upon the trading, industrial and laboring classes with contempt. The king treated them "only as a sponge to be squeezed." This was the condition under which 26,000,000 people existed in 1789. By the writings of Rousseau and Voltaire, they were aroused to a sense of their rights and liberties. They became frenzied with rage against their oppressors, and the whole nation was plunged into a revolution which overthrew the monarchy, brought the king to the guillotine, confiscated the property of nobles and clergy, and established the first republic. It was shortly after this, about 1793, that the people rallied to the standard of Napoleon I., who until 1815 was engaged in the most gigantic wars of modern times. It would be out of place here to trace the events of the French Revolution, the campaigns of Napoleon, or the military achievements or disasters which France witnessed during these eventful years. Yet all this has an economic bearing for two reasons. First, it serves to show the difficulties encountered by the French people in attempting to build up their industries and prosecute trade and commerce. Second, it was

*Taxation
and feudal
burdens.*

*Laissez
faire.*

against the conditions described that Quesnay, Turgot and the French economists of this time directed their attack. Unable in all things to distinguish between that which is beneficial to a nation and those practices which are injurious, overwhelmed by the revolting condition of the people, the school of economic writers which arose in France immediately before the French Revolution, fell into many errors. The social and political evils which existed, the burdensome system of taxation, the meddlesome and arbitrary interference with trade, commerce and employments, all combined to influence their opinions upon economic questions. The despotism of the king, clergy and nobles, their arbitrary and arrogant treatment of the masses, engendered an extreme spirit in favor of individual liberty and personal rights, which found a place in their writings and formed the basis of their creed. The school of economists, or Physiocrats, as they were called, was founded by Quesnay, the physician of Louis XV. Because of the radical ground taken in favor of individualism and against an interference by the government in private affairs, they were also known as the Personal Rights party. It was with these writers that the expression *laissez faire* originated.

"Let things alone—*laissez faire*, and *laissez passer*."

We have from the Century Dictionary the following definition and statement of the origin of the above expression:

A letting alone; a general non-interference with individual freedom of action. The let alone principle or policy in government and political economy.

The term was first used in France to distinguish that principle of political economy which would leave industry and trade absolutely free from taxation or restriction by governments, except so far as required by public peace and order. It has since been extended to include non-interference by controlling authority with any guiltless exercise of individual will.

It is apparent that the extreme views entertained by these writers arose from the conditions which existed in France at that time. The people had been over-governed. A despotic power held censorship over all phases of individual action. Freedom of political discussion was unknown. The press could only publish and say what was permitted by the government. Again it should be borne in mind that the spirit of free government which swept over the world in the latter part of the eighteenth century, and found expression in the American Revolution, had seized hold of the educated men of both Europe and America before the outbreak finally came in France. In discussing the economic ideas of Quesnay and his disciples, Professor Robert Ellis Thompson says: ¹

If the mercantile school unduly subordinated the science to the art, the economists went to the other extreme and made a complete divorce between them. Starting from a few simple ideas as the postulates of science, they built up a fantastic structure of deductions and theories, that stood in no vital relation to the actual life

¹ Elements of Political Economy, p. 17.

of society. Their professed aim was to attain a *natural* line of thought, and in that age the "natural" was conceived as the antithesis of civilization, as then existing.

In Quesnay's views, nature—by which he meant the productive powers of the soil—is the sole source of a nation's wealth; agricultural labor is therefore the only productive industry, all others being sterile. That this labor produces more than the farmer and his household consume, is the origin of all wealth,—which is merely the net-product of his tillage. The values produced by all other labor are measured by the cost of raw materials and the workman's food. The web of cotton cloth is but so much raw cotton and so much corn turned into another form, but retaining the same value. The utility of the new form is greater; the amount of wealth the same. From this he inferred that national policy should do nothing to develop such sterile industries as commerce and manufactures, but merely remove all restrictions from agriculture, from the trade in grain, etc. As agriculture alone produces wealth, it alone must, in the last resort, bear all the national burdens, however these may be imposed. Turgot, his chief disciple, divests the theory of much that is fantastic, and in his policy as Minister of Finance applied for the most part merely its just rejection of the system of monopolies, close corporations, duties on exports, etc.

The views held by this sect of economists of the true functions of government were that governments are at the most only necessary evils, and that their powers should be limited to simply the performance of police regulations and the preservation of order, while individuals should be permitted to exercise the utmost freedom of action. Speaking of this attempt to exalt the individual above the State, Professor Ingram says:

*Errors of
the Physiocrats—
Their
excuse.*

That the tendency of the school was unduly to consecrate the spirit of individualism and the state of non-government. . . . But what the physiocrats' ideas with the normal method of government were, appears from Quesnay's advice to the dauphin, that when he became king he should do nothing but let the law rule. The laws having been of course first brought into conformity with the *jus naturæ*.

It is thus apparent that the principle of individual rights and liberties which the Physiocrats carried to such an extent in their economic writings and the importance which they attached to placing restrictions and bounds upon governmental interference arose from political as well as economic considerations. Living under an arbitrary, meddlesome and despotic government, which had used its powers to oppress and enslave the people, their distrust of all governmental control and jealousy of their private rights had a just basis for expression. Under these circumstances it was most natural that they should have carried their principles of individualism to an extreme which in more enlightened times and under a popular form of government would not become necessary. Understanding the conditions which surrounded the French economists, the motives and purposes which influenced their opinions, their mistaken notions are excusable. Agriculture was regarded by the French economists as of the first importance to the nation. The decay of this industry, the lack of progress in cultivating the soil, the miserable condition of the rural population, had attracted the attention of not only French writers,

but of Englishmen as well. It was prominently brought forward in the writings of Arthur Young, who made special reports on agriculture in England which contained references to its condition in France also, based upon his personal observations. The Earl of Lauderdale, in his "Nature and Origin of Public Wealth," written at the close of the eighteenth century, commenting on the question of French agriculture, quotes Quesnay as saying: "That in France out of 36,000,000 of acres under plow, 30,000,000 are cultivated by tenantry who are so poor that the landlord is obliged to furnish laboring cattle and feed, and often even to advance money till the first harvest for payment of the expenses of the farmer's living and of his farming instruments."

In reflecting on the means by which the wealth and prosperity of France might be augmented, these writers saw the vast improvement which could be made in agriculture—how it would increase the independence of the people and bring about a more equal distribution of property, and the increased employment and rewards of labor which would follow. While in comparison with other industrial pursuits they overestimated its importance, yet this error was not so serious as the one committed by Cobden and his associates in abandoning agriculture altogether, and attempting to turn the energies of the English people wholly to manufacturing. The literature of the Manchester School is filled with words of praise for the French economists. They are held up as representatives of the cause of free trade, and yet their views upon the importance of agriculture are repudiated and the *laissez faire* principle is seized upon and made the basis of an economic policy, while with the Frenchman it was regarded more as of political importance and had less application to economics, as applied to trade, commerce and industries.

Turgot.

During a very short period, in 1774, Turgot was Minister of Finance of Louis XVI. He attempted many reforms which are claimed by certain economists to have been in the direction of free trade, yet what he did does not show that Turgot would have permitted the destruction even of the manufacturing industries of France by free competition. He proposed the abolition of duties on grain, between the various provinces of the country. He attempted to establish a uniform system of taxation and opposed the policy which so long had exempted the clergy, feudal lords or large land-owners from taxation. His efforts at reform aroused a storm of opposition from the clergy and nobles, who refused to surrender the privileges which they so long had held, and he was compelled to retire from the ministry. It has been a practice of free trade writers to claim as belonging to their school, every statesman and economist of those earlier periods who attempted to abolish the vicious usages or unequal and unjust forms of taxation which prevailed, or who recommended wiser economic methods, even though what they did, or favored, were the methods now approved by all. The question of protection or

*False
claims of
modern free
traders.*

free trade as it now is, and as it has in recent years been presented to the world, was not then at all considered. Through jealousy or for the purpose of retaliation, the people of one nation were, in many instances, prohibited from trading with another. Even the citizens of one country visiting another were often subject to seizure, and their ships and cargoes were treated in the same way. Freedom of trade in this age simply meant the right to trade at all. The withdrawal of prohibitions and the substitution of import duties sufficient and for the purpose of fostering and encouraging home industries, cannot be regarded as a step toward free trade as it is understood to-day. What the French economists would have advocated under different political and economic conditions, it is difficult to say, but to repudiate their views upon the importance of agriculture and accept only their personal liberty ideas which were directed against political tyranny, special privileges and arbitrary and unjust discriminations and restrictions, does not strengthen the cause of free trade.

The writings and teachings of the French economists exerted some influence upon the economic thought of the time and undoubtedly contributed to the more liberal policy which found expression in the commercial treaty which was entered into with England in 1786. This was not, however, the first commercial treaty which had been made between England and France. One was entered into as early as 1606, but the industries of both countries at that time were so insignificant that it can scarcely be said that any industrial advantages were derived from it by either country. In 1626 trade between the two countries had been prohibited, yet commercial relations were reopened a few years later by a treaty effected in 1632. In 1641 many laws were enacted by France injurious to British trade, which were followed by a prohibition on the part of England of the importation of wines, wool and silk from France, and the French in turn seized the woolen goods of the British merchants. In 1654, however, a treaty was effected by which English merchants were permitted to sell their goods in France. Under this treaty considerable trade was carried on between the two countries. With the manufacturing pre-eminence of the Netherlands at this time and the export trade in coarse articles, which had then to some extent begun from England, France was being supplied and her trade monopolized by foreigners. The French duties, however, were soon increased. It was at this time that Colbert became minister and attempted to encourage the establishment of industries. After the death of Colbert, during the remaining years of the century, counter-prohibitions were imposed by both countries. Under the treaty of Utrecht, concluded in 1713, the British representatives, under instruction from the government, procured the incorporation of forty-one articles relating to commerce and navigation, which embraced reciprocal trade under low duties, but these provisions of the treaty were rejected by parliament. The provisions which were most objected to were those

Commercial relations between France and England.

which provided that England should admit goods from France upon the same terms as those from other nations. The question arose how this might affect the treaty of 1703, under which Portuguese wine was being admitted at two-thirds the duty imposed on that from France. The Portuguese trade had become very profitable. From 1713 to 1782 no efforts were made to establish more favorable relations between the two countries. Negotiations were opened, however, in 1782 which failed, and in 1785 France again prohibited the import of British goods. In the following spring negotiations were reopened and a commercial treaty was made. Mr. Eden was sent to Paris to represent the British Government and there met M. de Rayneval, the special commissioner intrusted by the French Government with the negotiations. Before this commercial hostilities which had prevailed and the restrictions which had been imposed by each country on the produce of the other had been very damaging to the trade of both. They were practicing a system of prohibitions which, under the views entertained by the statesmen of the two countries, was certainly very unwise. The import of manufactured silk, ribbons and many other articles for which France was especially noted, was prohibited in England. The terms of the treaty provided that French wines were to be admitted into England under the same duties as those which had been paid by Portugal. The duty on French vinegar was fixed at 7 shillings per gallon; olive oil was to come under the most favored nation clause; French cambrics and lawns were admitted at a duty of 5 shillings per piece of $7\frac{3}{4}$ yards. In return for these concessions France agreed to admit British linens under the same duty which she imposed on those of Holland and Flanders. The duty on hardware was fixed at 10 per cent ad valorem. On cotton, woollens and hosiery, 12 per cent, but the importation of these goods when mixed with silk was prohibited. Other commodities were to be admitted into both nations under reciprocal duties agreed upon. Saddlery at 15 per cent ad valorem; millinery, porcelain, earthenware, pottery, plate glass, at 12 per cent, and gauzes at 10 per cent. The treaty further removed a great many restrictions and hindrances which had been placed on merchants and traders.

English manufactures not endangered by importation.

A glance at the situation in England at this time will show that there was not the slightest danger of an injury to British industries by imports of competing commodities from France. English manufacturers had begun to avail themselves of the advantages of the new inventions and improvements in textile manufacturing. Chemical bleaching had been introduced from France; calico printing was carried on by machinery; the steam engine had been invented the year before; the spinning jenny had been in use nearly twenty years; the water frame, seventeen years; combing by machinery, as introduced by Hargreaves, thirteen years; and the power loom was in process of completion. The superiority of English manufactures at this time over the French, in making most of the

articles which were affected by the treaty, was such that it was absolutely certain that British manufacturers were not only not exposing their industries to ruinous competition, but that they were getting decidedly the best end of the bargain and that the treaty would open the French market to a large trade in their goods. On the other hand, they would receive from France, wines, oil, vinegar, and non-competing articles, with the exception, however, of some finer fabrics, furniture and articles of luxury, which were finding their way into the palaces and homes of the English nobility through the smuggler, regardless of prohibitions or customs duties. England had built up a trade in the cheaper and more ordinary wares, and was still extending it to the Colonies, the New World, to Russia and throughout Europe, while France had advanced more rapidly in the making of the more costly articles of luxury. At this time the British were trading largely in India, becoming the distributors of tea, coffee, spices and Oriental wares. France was increasing her production of wine, hence the more important features of the treaty tended to encourage trade between the two countries in non-competing articles and to open the French market to British goods. But that there was any intention on the part of England to expose her industries to ruinous competition is a mistaken notion. From the data available it is difficult to arrive at a satisfactory conclusion as to the purpose of the French Minister. Free trade tendencies undoubtedly prevailed, yet at that time very moderate duties might have been regarded as sufficient to foster the industries of France. A duty at that time, which amounted to 10 or 15 per cent upon coarser articles, afforded much more protection than would arise from a similar duty to-day, because of the reduced rates and greater means of transportation which now prevail. At that time all of the inland districts of France and the Continent were supplied at a great expense by transportation in wagons, over poor roads. Without taking these things into consideration the duties agreed upon appear less protective than the French officials at that time had reason to assume they would be. The protective policy inaugurated by Colbert was fully vindicated in the development of industries which took place during the following century. Although not as great as it otherwise would have been had the political and industrial conditions of the country been more favorable, yet by the close of the eighteenth century the products of many of their industries had become famous for their excellence and fineness. The woolens from the manufactories of Louviers, Abbeville and Sedan, were regarded as the finest in the world. The broadcloths were concededly softer and of more vivid and captivating color than those made in England, although the English manufacturer had early become famed for the excellence of this class of goods. In the manufacturing of silks they had reached a degree of cheapness, as well as taste in design and beauty, which for the time was very remarkable. The manufacture of linens, millinery goods, glass for

*The effect
of the
treaty on
French
industry.*

mirrors, china ware, furniture, and many articles of luxury, had steadily increased until the country became noted for the production of a superior quality of this class of goods.

The treaty was entered upon by England after a most careful investigation of the industries of France and the effect which the new regulations would have on British manufactures. The correspondence and negotiations, the result of Mr. Eden's observations and inquiries, were all made known, and the interests of British manufacturers were consulted throughout. The reverse, however, was true in France. "The negotiations," says Yeats, "had been offensive to the French manufacturers, whose voice was not heard in the matter until, in answer to their inquiries, they were told it was too late, for the treaty was signed. Rouen, Rheims, Rennes and Lyons were bitter in the expression of their discontent." The only producers in France who were at all pleased with the treaty were the wine merchants of Bordeaux. The Physiocrats, of course, who had been misled by some economic notions, gave it their approval, yet their influence was so insignificant and they were so few in number that as soon as its effect became apparent on the manufactures of the country it was abandoned. Bismarck, in a passage already quoted, stated to the German Reichstag, in 1879, that "commercial treaties, it is true, are under certain circumstances favorable to foreign trade; but whenever a treaty is concluded it is a question of *Qui trompe-t-on-ici?* Who is taken in? As a rule one of the parties is, but only after a number of years is it known which one." In this instance it took only five years to demonstrate that France had made a poor bargain, that for the privilege of sending a few luxuries into England on more liberal terms, which they were likely to continue to sell without the treaty, because there was an actual demand for them there, their home market must be flooded with the cheaper wares of England which would make it difficult, if not impossible, for them to extend their industrial system to the production of a greater variety of commodities at home, and hence lose the profitable employment and accumulation of capital, and the opportunity which would be given to the employment of labor within the borders of their own country. We have the opinion of an eminent French authority, M. St. Ferrol, upon this fact that England was decidedly the gainer by the treaty:

*French dis-
satisfaction
with the
treaty.*

The fatal treaty signed with England on the twenty-sixth of September, 1786, abolished the prohibitions which applied to the products of this kingdom and her colonies. In consequence of some reductions of the duties on our wines, vinegars, olive oil and beer, we had the imprudence to authorize the admission of a great number of manufactured articles, on paying a duty of from 10 to 15 per cent. Hosiery, woven cloths and woolens, articles of dress, porcelain, earthenware, pottery and glass, were, in virtue of this treaty, admitted among us, subject only to a duty of 12 per cent. It is true that the treaty established a reciprocity of duties; but this reciprocity vanished before the superiority already obtained by the manufactures of that kingdom.

From these facts it is apparent that free trade writers in attempting to show that the free trade tendencies which arose in England and France, immediately after the publication of the "Wealth of Nations," and the writings of the French economists dictated this treaty, are not supported by the facts so far as they relate to England. On the part of England it was a shrewd business transaction to advance her trade by driving a sharp bargain. Mr. Macgregor says that the efforts of Mr. Eden in negotiating the treaty were regarded as "a masterpiece of skill." The results which followed in France very quickly demonstrated the folly of those who had been influenced by the teachings of the French economists.

In 1791 the treaty was revoked by France, and the second general tariff law of the country was enacted. It abolished internal customs and embodied the following provisions:

*The new
tariff law.*

1. To exclude, by absolute prohibition, certain foreign productions and manufactures.
2. To change the prohibition of certain articles into the permission of entry by paying a duty not exceeding twenty shillings.

These bases, says Mr. Macgregor, were drawn up by the then first clerk of the customs of Lyons, and adopted in March, 1791, as follows:

1. Total exemption from entrance duties on alimentary articles and on materials required for manufacture.
2. Progressive duties on certain merchandise.
3. Highest duties not to exceed 25 per cent on objects of luxury or fantasy.
4. Absolute prohibition of manufactures which compete with ours.
5. Finally, 10 per cent duty on all spices.

This tariff law excluded gold and silver, worked on thread, twisted and hemp thread, tobacco, glass, and a few other articles. In March, 1793, all commercial treaties existing with those countries which were then at war with France, were annulled and foreign vessels were excluded from participation in the coasting trade of France. Such were the regulations existing during the early part of the administration of Napoleon. What is known as the Continental System of Bonaparte was inaugurated in 1802, and continued until his downfall at the battle of Waterloo. The Continental policy involved the exclusion of Great Britain from all trade with Continental ports. The Berlin decree issued in 1806 forbade all commercial intercourse with Great Britain, and declared the British Isles in a state of blockade. All British subjects found in any country over which France then claimed jurisdiction, were ordered to be seized. This decree was met by the British Government by what is known as the "Order in Council," made in 1807, which prohibited all trade with countries over which France claimed jurisdiction. Yeats says on this subject :

*The Conti-
nental Sys-
tem.*

Napoleon retaliated by the still sterner decree of Milan, which reduced his Continental System to a code. The ports of Europe for several years presented the strange

spectacle of not daring to admit English vessels for fear of Napoleon's decrees, and as little daring to let their own vessels leave their moorings for dread of the British cruisers. The mercantile fleet of France was captured, and her navy defeated. With an assertion of power which he could no longer enforce, Napoleon required neutrals to carry a French license to trade. England in reply seized the French colonies, effectively blockaded France, and declared prizes all neutral vessels carrying French papers. While England ruled the sea, Napoleon's policy was futile and his ordinances were useless. Navigation ceased wherever he could enforce compliance with his will. France, which had been the purveyor of sugar and coffee for European consumption, was compelled to look to other states for her own supply, and at last the enactments of her ruler cut her off from every source. Meanwhile the profits of a vast smuggling traffic which had arisen all over Europe, together with the growing trade between England and the United States, enabled English commerce to endure this trial with little loss; in the end, indeed, with positive gain. Except the English, there were soon no merchantmen in Europe, and England was called upon to act as universal agent and carrier. British fabrics and colonial produce were so desirable that they were still purveyed, although surreptitiously and at greatly enhanced cost. Thus, by unintentional and strange concurrence of events, the world's commerce came into possession of England, after a short effort of the Americans and the neutral nations conjointly to share it.¹

*France at
the close of
the Napole-
onic wars.*

It has been pointed out in previous chapters that through the destruction of the merchant vessels of all Continental countries during this war, that England gained a complete monopoly of the carrying trade of the world, and obtained a commercial and maritime pre-eminence which she has since held and which other nations have not been able to take from her. The efforts to exclude British goods from the Continent gave to the manufacturers of France a monopoly of their home market and enabled them to extend their sales in other Continental countries. Hence, while France lost her merchant vessels and was driven from the sea, her industries, notwithstanding the long military struggle in which the country was engaged, made considerable progress. Yet the calamities of the war were so great and taxation so burdensome, that the manufacturers of the country shared in a great degree in the inevitable consequences. When the war was brought to a close, upon the defeat of Napoleon at Waterloo, the allied armies of 800,000 troops occupied French soil and lived on the country for several months. Besides, the burdens of the war which fell upon France by the terms of peace, imposed a great hardship on the people. An army of 150,000 men was to occupy the country and be supported for a period not less than three and not more than five years; France was also compelled to pay to the allied powers \$140,000,000 to defray the expenses of the war and indemnities for spoliations inflicted on them during the Revolution which amounted to \$147,000,000. Besides these sums, 100,000,000 francs were to be paid to smaller powers for the expenses of war. The total sum imposed on the French people, besides the expense of

¹ Recent and Existing Commerce, p. 59.

maintaining the army of occupation, was \$307,000,000. This was the situation of France in 1816, after having passed through, from 1789 to 1815, the most gigantic wars and the most bloody revolution of modern times; yet, still, taking into account the fact that the despotism which had prevailed, the system of feudalism, the corrupt and venal nobles, royalists and priesthood had all been swept away, the people were in a better situation than ever before to enter upon a career of national life and industrial prosperity; hence, when we attempt to measure the growth of the wealth and industries of the country, and compare its progress and present condition with that of other nations during recent years, it is proper to begin with the close of the Napoleonic wars. Although at this time France was a powerful nation and great industrial progress had been made, yet so many causes had intervened to retard the accumulation of wealth and the establishment of industries, trade and commerce, that their disasters should be taken into account in measuring the wonderful progress which has been made and the vast accumulation of wealth which has taken place during the past eighty years.

During the period extending from 1815 to 1860, although the French people were divided on the question of a form of government and the struggle between kingcraft and republicanism raged with the varying fortunes of both parties, until the formation of the Republic in 1870; yet there was one question upon which the French people were united during this period. The necessity of developing all their varied resources and industries pertaining to agriculture, manufacturing, mining, trade and commerce was fully recognized and protection to native industries remained the settled and definite policy of the people. Before the army of occupation had left the country in 1816 a new tariff law was enacted, known as the tariff of the Restoration. It maintained all the prohibitions embraced within the law of March 1, 1793. The act of 1791 was continued in force with provisions which increased the duties which had been too lightly imposed on many articles of that year. This law, on account of the exigencies of the government, embodied revenue features which formed no part of the definite principles of protection in times of peace. The large war debt required the taxation of many articles of raw materials and necessities not produced in France, which otherwise would have been admitted free. The burdens of taxation which fell so heavily upon the people during the whole period, prevented to a great extent the establishment of a policy more consistent with the principles of protection. Again the prejudices of the war which had intensified the hatred against Great Britain, the loss of colonies and merchant marine naturally continued a system of commercial warfare and retaliation which was injurious to the trade of the country, and showed a lack of knowledge of sound economic principles. But this soon passed away, and in the thirties great improvements were made in the tariff regulations.

Tariff legislation from 1815 to 1860.

*The
revenue
tariff of
1836.*

By the revisions which were made in 1836 prohibitions were removed which had hitherto existed upon the imports of certain manufactured and partly manufactured articles and adequate protection was continued through duties upon buttons; chains; cables; cashmere shawls; copper wire twisted with silk, gilt or silvered; brass wire; cotton lace; clock works; tin dishes; India handkerchiefs, clothing and other stuffs. Protective duties were also substituted for prohibitions on chromates of lead, chromates of potash and chromates of iron; extract of quinine; iron in bars (called rails), in angular form, old and broken; cotton yarns, No. 143 and upwards; thread of sheep's wool, twisted not dyed; prepared skins, large and tanned; Russia leather for bookbinding and some others, while the import of cotton yarns was prohibited. Duties were greatly reduced on the following articles required for manufacturing: Coal; various kinds of wood used in the manufacture of furniture, such as mahogany, ebony, etc.; also on dye woods; rubber; white lead; cobalt; cochineal; copper; elephant's teeth; tin; iron cast in pigs and drawn in bars of all dimensions; oil seeds, oil indigo; wool, raw or washed; lac dye; flax, not hackled, and tow, hackled and combed; machines (locomotives) for railroads; nickel (metallic) bristles; lead, mineral of; silk raw and reel; tallow, raw; sulphur, mineral of zinc and many others. Duties were also reduced on the following articles of food: Cinnamon, cloves, nutmegs, pimeto, pepper and tea. Duties were reduced on the following articles of manufacture: Linens, woven of flax or hemp; table linens, unbleached; damask, bleached and damask, and sealing wax.

*Tariff leg-
islation of
1826, 1836
and 1841.*

By the acts of 1826, 1836 and 1841 duties were increased on the following articles of manufacture: Steel, cast in bars or steel wire; spermaceti produce of foreign fisheries; raw, pressed or refined sperm candles; copper, pure or mixed; hops; wool, washed and dyed; quills for writing; marble, unwrought; lead pencils; cordage; linen yarns and some others. Cotton manufactures were prohibited to be imported excepting the following, which were subjected to duties: Nankeens from India and from other parts, cotton lace, cotton thread of No. 143 and above, cotton twisted, all other cotton thread without distinction of number or quality, and coverlets. As to woollen manufactures, woven cloth dyed, or undyed, dressed or undressed; hosiery of all kinds, flannels of all kinds and woollen yarns were prohibited to be imported except the following, which were subjected to protective duties: Blankets and bed covers, carpets in knots of wool and linen thread, carpets of woollen yarns, tufted or in round points, the under side of which represent canvas or thread, carpets, woollen, worsted wares and buttons to be used in France with other material. The importation of manufactures of iron and hardware of all kinds was prohibited except the following, which were subjected to protective duties: Steam engines, machinery, mechanical instruments for the use of manufactures and locomotive engines for railways, tools, copper boilers, etc., agricultural

implements, ship anchors of certain sizes, spurs and pins, coffee mills and a few other articles of minor importance. Nearly all chemical products were prohibited. Manufactured goods, with the exception of silks, machines and tools and a few articles partly manufactured were, as a general rule, prohibited. Protection to agriculture was also made a definite purpose in the legislation of 1816, 1826, 1836 and 1841. In 1826 duties were increased on horses, cattle, sheep, fowls, hops, wool; butcher's meat, fresh, salt pork and other kinds; vegetables, dry or ground; and on all grains, cereals and farm produce.

To encourage ship-building, commerce and industries, bounties were paid to those who engaged in the fisheries and for building vessels. Premiums were also paid on the exportation of woolen manufactures, cotton manufactures, hardware and other commodities of the production of French factories. Under the vigorous protective policy entered upon, the expenses of the government necessitated the preservation of some revenue features which would not otherwise have been continued, yet, as a whole, it was in every way favorable to the restoration of the trade and commerce and the expansion and development of the country.

A brief statement of the expansion of the industries of the country during this period will show that most marvelous progress was made. One of the principal benefits derived from the French Revolution was the change which took place in the tenure of land. It has already been pointed out that a large portion of the area, and in fact the best part, was owned by the church, the crown and the nobles. The confiscation of property held by the church, the king and the nobility brought about a division of land and gave the people an opportunity to purchase and own their own farms.

*Expansion
of indus-
tries under
protection.*

By a law of France it was provided that an estate should be equally divided among the heirs. This cut the whole country up into many small holdings, which has made the French peasantry the most contented, happy and peaceful rural population in Europe. It was not only a regard for the interests of the large wine producers, the owners of vineyards or the cultivators of the mulberry tree that induced protection to agriculture, but the welfare of the peasantry, the whole people, the idea of making France prosperous and self-sustaining, by fully developing all the varied resources of the country, formed the basis of this policy. A committee of the Chamber of Deputies reported in 1832 that,

If we admitted the food and raiment and metals and colonial and other objects which strangers would bring into our ports, we might probably gain some hundreds of millions: should we be the richer in consequence? for the riches of a State are in the elements of labor, and when labor fails to find employment misery is reproduced. And it is not only a question of comfort, but one of existence, for if wheat were introduced without duty from the Baltic or Black Sea, our maritime shores would remain uncultivated, and the effect of a ruinous competition would affect, more and more, nearly the whole of our agricultural population.

Notwithstanding the effort on the part of the English people to break down the system of protection in France by appeals to the agricultural interests, the French people have remained united on the subject. The arguments which were intended to array one class of producers against another, utterly failed. They attempted to prejudice the agriculturists against the manufacturers, by showing that through protection to the French manufacturers the farmers were paying much larger prices for iron and agricultural implements than they would be compelled to pay under a system permitting free imports from England.

The concern which the free traders manifested for the agriculturists of France is most interesting when we remember that at the same time they were making calculations to convince the farmers that they should destroy the iron furnaces and agricultural implement manufactories, they were also compiling statistics to convince the manufacturers that they were being robbed and subjected to heavy burdens to support the sugar and other agricultural industries of the country.

Improvement of agriculture under protection.

"Since 1848," says Mulhall (1888), "no less than 9,000,000 acres of waste land have been reclaimed." The protection and encouragement given to the French farmers have not only directly benefited the peasantry, but have added greatly to the wealth of the nation. Nearly every foot of soil is cultivated like a garden. The sandy deserts, the crest of mountains, and even rocks have been transformed into vineyards and made to yield a revenue, and give sustenance and support to the people. Besides, the division which has been maintained by keeping so many people on the soil has prevented the overcrowding of cities and the struggle for places among laborers in industrial centres, which would have occurred had France pursued the English policy of opening her ports to the free admission of the farm produce of other countries, and ruined and impoverished her agriculturists; but instead of that her rural population was given an opportunity to produce and sell in French markets vegetables, poultry, dairy products, and everything which would grow on French soil, or could be produced or raised by French farmers. Not only were the wheat growers protected, but the milling interests of the country were guarded against foreign competition, so that nearly all the grain which is imported is ground into flour and meal in French mills. The milling interests of the country are therefore very extensive. The steady development of agriculture which immediately followed the adoption of vigorous protection to agriculture has been most fully vindicated, as will further appear from the enormous wealth of the country, as shown at the close of this chapter.

Silk industry.

During the Revolution, the city of Lyons, the principal seat of the silk industry, was taken by the Republican forces, and many of its inhabitants massacred. The disturbance was so great that the industry was practically ruined and received a set-back. One characteristic of

Napoleon, which perhaps above all others won for him the applause and adherence of the French people, was his devotion to their interests and his regard for their welfare manifested in so many ways. He recognized the importance of all the industries of the country, and especially of the silk industry, which he attempted to revive by requiring the costumes of all French officials to be made from domestic silk. The invention of the jacquard loom also contributed largely to the rapid expansion of the silk trade of Lyons after the Revolution. The industry, however, became very prosperous, as is disclosed by the official statistics of its growth between 1820 and 1835, as given by Mr. Macgregor in his "Dictionary of Commercial Statistics."

The quantity of raw silk spun increased from 308,159 kilograms in 1815 to 876,016 kilograms in 1835. The exports of the manufactures of silk from France to England, the United States, and all other countries, grew from 99,000,000 francs in value in 1822 to 165,000,000 francs in 1847; 181,000,000 francs in 1849; 194,000,000 francs in 1866. By 1845 the manufacturing industry gave employment to 200,000 persons, who produced a product worth over \$40,000,000. While France was a producer of raw silk, yet its manufacture was established in the country, and grew and expanded under the fostering care of protection.

In the manufacture of cotton goods the progress was less rapid during the period in question. It should be remembered that the industry was not established in England until the close of the eighteenth century, and that its rapid expansion there was due largely to the inventive genius of the English people who brought out the great textile machinery which so increased the facilities for its production. Prohibiting the export of this machinery, England acquired a start and an advantage in its production, many years in advance of the French and other Continental countries. With the superior facilities thus possessed by Great Britain her manufacturers were able, had it been permitted, to prevent the establishment of the industry in France. The French people wisely put up protective barriers, employed British artisans and set themselves about acquiring the mastery of the business. Cotton weaving and spinning mills were erected and great progress was made. Three million five hundred thousand spindles were employed in the various districts of the country. The substitution of power for hand loom, the building of large factories fitted with machinery and modern appliances which was taking place could not have been established under free trade.

*Cotton
industry.*

Although the woolen industry was early established through the influence of Colbert and the French people had reached great proficiency in dyeing and weaving by the close of the Napoleonic wars, in order to keep pace with other nations her hand looms must be thrown aside and modern machinery and appliances substituted. By 1815 woolen factories had been established in all parts of France, and when the use of machinery

*Woolen
industry.*

was added to their superior art of dyeing and their great ingenuity in its manufacture, a successful prosecution of the trade was assured. Complete statistics during the years from 1816 to 1860 cannot be found. Those that do touch upon the growth of French industries during this period are meagre and fragmentary. Enough, however, are available to show a most substantial advance. The following facts and figures are taken from Macgregor's "Dictionary of Commercial Statistics." The changes in the foreign trade of France were as follows :

Foreign
Trade.

FOREIGN TRADE OF FRANCE.

1820-1861.	Exports.	Imports.
1820, ...	\$ 90,983,616	\$ 72,627,413
1829, ...	123,270,678	121,563,727
Annual average 1827-1836, ...	139,600,000	133,400,000
Annual average 1837-1846, ...	204,800,000	217,600,000
Annual average 1847-1856, ...	334,400,000	300,600,000
1861, ...	385,274,200	488,470,400

As can be seen the exports exceeded the imports for nearly the whole of this period, while in a single year after the English treaty went into operation the imports exceeded the exports by over \$100,000,000.

From 1787 to 1829 the excess of imports over exports of bullion amounted to \$345,476,917 and yet \$182,082,172 was gained in the eight years from 1822 to 1829, as shown by the following table :

MOVEMENT OF BULLION.

1822-1829.	Exports.	Imports.
1822, ...	\$11,295,795	\$37,192,255
1823, ...	21,299,621	40,106,086
1824, ...	16,638,368	48,856,522
1825, ...	26,929,613	50,284,814
1826, ...	34,929,630	34,409,879
1827, ...	7,970,664	37,409,879
1828, ...	5,714,315	21,620,215
1829, ...	11,714,916	49,695,044
Total, ...	\$136,492,922	\$319,574,694
		136,492,922
Excess of imports over exports, ...		\$183,081,772

The excess of specie imported in 1839 was \$19,506,825.

Changes in the production of coal, wheat and potatoes were as follows :

COAL PRODUCTION.

	Tons.
1789, ...	250,000
1830, ...	1,800,000
1851, ...	4,648,000
1860, ...	8,309,622

WHEAT PRODUCTION.

	Bushels.
1789, ...	93,000,000
1815, ...	121,000,000
1848, ...	152,000,000
1850, ...	237,093,769
1876, ...	271,330,122

POTATOES.

	Bushels.
1789, ...	5,000,000
1815, ...	55,000,000
1848, ...	275,000,000
	cwts.
1850, ...	157,230,000
1875, ...	411,818,044

STATEMENT OF PRODUCTION OF IRON IN FRANCE, FROM 1833 TO 1840, INCLUSIVE.
In Metric Quintals—(220.46 lbs.).

*Production
of iron.*

	Ore.	Smelted.	Malleable.
1833, ...	22,273,000	2,253,000	1,339,000
1834, ...	25,083,000	2,691,000	1,772,000
1835, ...	27,898,000	2,948,000	2,095,000
1836, ...	31,587,000	3,084,000	2,106,000
1837, ...	33,760,000	3,317,000	2,246,000
1838, ...	32,899,000	3,478,000	2,242,000
1839, ...	32,164,000	3,502,000	2,318,000

	Blast fur- naces.	Production of smelted iron, metric quintals. ¹	Forges.	Malleable iron, metric quintals.
1828, ...	393	2,209,177	1,295	1,513,878
1834, ...	569	2,690,636	1,687	1,771,638
1839, ...		3,502,000	2,022	2,318,000

The production, importation and consumption of coal from 1825 to 1838 also shows great gains in this period.

Coal.

	Production metric quintals. ¹	Importation for consumption metric quintals.	Consumption metric quintals.
1825, ...	14,914,000	5,069,000	19,983,000
1830, ...	18,627,000	6,309,000	24,936,000
1835, ...	25,064,000	7,669,000	32,733,000
1838, ...	31,133,000	11,636,000	42,769,000

Wool.

WOOL IMPORTED FOR CONSUMPTION.

1820, ...	\$1,670,000
1830, ...	2,574,400
1840, ...	5,997,400

¹ Metric quintal—220.46 lbs.

STATEMENT OF VALUE OF WOOLEN YARNS AND WOOLEN CLOTHS EXPORTED.

	Yarns.	Cloth.
1820, ...	\$129,400	\$8,547,400
1830, ...	213,000	
1840, ...	399,200	12,220,000

The increase in importations of cotton for consumption from 1812 to 1819 amounted to 11,000,000 kilograms (2.2046 pounds), and from 1819 to 1835 the increase amounted to 22,000,000 kilograms.

The value of cotton manufactures in 1835 amounted to \$120,000,000. Between 1816 and 1835 the quantity of cottons manufactured nearly doubled itself.

Cotton.

RAW COTTON IMPORTED FOR CONSUMPTION.

1820, ...	\$ 7,365,000
1830, ...	10,352,200
1840, ...	18,801,200

VALUE OF COTTON TISSUES EXPORTED.

1820, ...	\$ 5,824,000
1830, ...	11,123,000
1840, ...	21,404,800

VALUE OF COTTON MANUFACTURES EXPORTED.

1833, ...	\$12,267,270
1840, ...	21,700,000

SILK AND SILK MANUFACTURES.

	No. of mul- berry trees grown.	Amount of co- coons collected. Kilograms. (2.2046 lbs.)	Raw silk produced. Kilograms. (2.2046 lbs.)
1820, ...	9,631,674	5,229,846	453,770
1835, ...	14,879,404	9,007,967	876,016

Hemp,
flax, etc.

QUANTITY OF HEMP AND FLAX IMPORTED FOR CONSUMPTION.

	Hemp. Kilograms. (2.2046 lbs.)	Flax. Kilograms. (2.2046 lbs.)
1825, ...	\$4,292,157	\$ 234,049
1837, ...	6,284,443	1,102,768

LINEN YARNS IMPORTED.

	Kilograms. (2.2046 lbs.)
1825, ...	\$ 983,031
1835, ...	2,126,652
1839, ...	6,817,421

VALUE OF LAND.

1821, ...	\$ 7,902,800,000
1851, ...	16,748,800,000

Miles.

1830,	32
1848,	1,373
1855,	3,434
1861,	6,212

\$245,396

1833, ...	\$245,306
1835, ...	305,330

\$132.793

1831, ...	\$132,793
1837, ...	228,550
1840, ...	471,557

Kilograms.

1828,	58	establishments producing	.	.	.	.	.	.	2,685,000
1830,	89	"	"	.	.	.	.	.	6,000,000
1837,	543	"	"	.	.	.	.	.	36,000,000
1839,	560	"	"	.	.	.	.	.	40,000,000

Francs.

1834	37,015,492
1839	171,057,904

Industrial growth.

had, and now has, a greater accumulation of precious metals in the banks and circulating among her people, than any other nation.

*Partial
free trade.*

The Republic had been overthrown, the monarchy restored and from 1852 Louis Napoleon had sat on the throne. During the ten years preceding 1860 Mr. Cobden and his associates had been attempting by every means possible to induce France to abandon protection and adopt free trade. Louis Napoleon and Chevalier entertained liberal views upon the question. While the French people were so devoted to the policy of protection that a suggestion of free trade would have made the administration unpopular, yet by a piece of cunning diplomacy, under the guise of a commercial treaty, Richard Cobden and Louis Napoleon sought to accomplish in part that which could not be obtained in open daylight. In 1860, as has already been pointed out, a commercial treaty was entered into between England and France, under which French silks and manufactures were admitted into England free of duty and French wines under reduced duties. While on the other hand France removed all prohibitions from imports and substituted duties ranging from 20 to 30 per cent on competing manufactures.

*The effects
of the treaty
of 1860.*

The writer will not undertake to say that either party was the gainer by this treaty. The question who was cheated has remained until this day a subject of controversy which, perhaps, will never be settled satisfactorily. Measured by the growth of exports and imports of the two countries, an increased trade is shown. That the shipping interests, brokers and commission men of England gained more than those of France because of the former nation's pre-eminence in the carrying trade is undoubtedly true. Yet the free imports from France, as has been proven, resulted in the annihilation of the silk industry of England and greatly crippled many other manufacturing interests. On the other hand France bought more largely of England of those foreign products and raw materials of which, at that time, English merchants were the distributors. So far as French industries were concerned, it intensified competition in France in many branches, especially in chemicals, paper, coarser woollens, cottons and machinery in which England was superior. The imports into France of these manufactures from England, although they swelled the foreign trade, diminished the home trade by displacing domestic productions and therefore it cannot be said that a benefit arose to the French people. The small increase in the exports from England to France did not compensate her for the destruction of her silk industry or for the diminished production which such imports occasioned in other pursuits. The duties of 20 or 30 per cent, which France maintained, were all that saved a vast number of her industries from destruction. The treaty was binding on the two countries until 1871, and at that date was renewed for another ten years. But as soon as the voice of the people was heard in the halls of legislation, under the new Republic, the

renewal of protection and the abrogation of the treaty, became issues in the politics of the country.

In 1882 the French Government refused to renew the treaty and a more vigorous protective policy was restored. On March 28, 1885, an act was passed by the Chamber of Deputies, raising the duties on all farm products. The act was but an extension of the system of tariff revisions which was begun in 1876 and completed in 1881. All ad valorem duties were changed to specific. In 1890 the question of further extension of protective duties came up for discussion, when it was apparent that the protectionist sentiment was overwhelmingly in the ascendancy. In 1891, upon proposals submitted by the government, the Chamber of Deputies passed a new tariff law. Raw materials were admitted free of duty, and to compensate the growers of flax and the breeders of silk worms bounties were given by the government, that these industries might be maintained and prosecuted with more vigor. The internal tax on sugar was reduced. Increased protection was extended to agriculture and to those manufactures which were being depressed by foreign competition. The treaties with Belgium, Spain, Switzerland, Sweden, Norway, Portugal and the Netherlands, which would not expire until 1892, were revoked. The bill provided for two rates of duties, or permitted the import of goods under the lowest duties named in the schedule from those countries which would extend reciprocal benefits on French goods. It was under this provision, undoubtedly incorporated under the influence of the Reciprocity clause of the McKinley bill, that the Harrison administration made a commercial treaty with France, under which American pork and farm produce were received into the country under the lowest duties fixed, and in turn, sugar, molasses and skins from France and her colonies were admitted into the United States free of duty.

Renewed protection—The tariff of 1891.

Before examining the agricultural and manufacturing resources of modern France, the reader's attention is called to the speeches of M. Thiers, then a Deputy from Paris, in the Assembly, January, 1870. They are so pregnant with practical wisdom, so full of contempt for the fallacious reasoning found across the English Channel, so prolific in instructive observations and conclusions, that extracts of considerable length are here given.

On January 22, 1870, M. Thiers addressed the Assembly as follows:

Every nation has three affairs which should be the object of its ardent and constant solicitude: *liberty first, its greatness next, and finally its material prosperity.* Liberty, which consists not merely in the right of the nation to criticise its government, but in the right of governing itself by its own hands, and conformably to its own ideas; greatness, which does not consist in subjecting its neighbors by brute force, but in exercising over them so much influence that no

The true national policy.

question shall be resolved in the world against its interests and security ; prosperity, finally, which consists in drawing from its own soil, and from the genius of its inhabitants, the greatest possible amount of well-being. And do not think that this anxiety for the prosperity of the country has anything in common with that passion for material interests which the highest minds despise. There is no work of higher morality than to diminish the sum of the evils, which weigh upon man, even in the most civilized societies. To make man less unhappy,—that is, to make him better,—it is to make him more just toward his government, to his fellow-beings, toward Providence itself. We have before us a noble task ; we shall succeed, I hope, in accomplishing it. It is to give to the country liberty, without disturbance, without violence, without revolution. The work of establishing prosperity where it is wanting is not less grand or less worthy of your thoughts. The government has thought, for a time, that it could arrogate, for itself alone, the right of deciding upon the economical system of the country. I do not wish to recriminate as to the past ; this is not the time. We must, on the contrary, forget the past, or remember the past only to derive from it instruction. Our task is to fecundate the present and the future. It was nevertheless a strange pretension, that of thinking that the government could, of itself alone, decide upon the economical system of the country. I can understand that the government—when it is composed of the most enlightened men of the country—might believe that it could be a better diplomat, a better warrior, than the mass of the nation, but a better merchant, a better manufacturer, a better agriculturist, when the nation is composed of merchants, manufacturers, and agriculturists, is an unsustainable pretension. I have exhausted myself in this study, to which I have brought the greatest material disinterestedness, and that moral disinterestedness, which results from the absence of bias for any system. I shall proceed directly to the end which we have in view. In these debates some call themselves protectionists, others free traders, and we have even heard the term compensationists. I accept whatever term you will. It is the *thing* only which I have in view. It is asked, Shall we place around France a sort of Chinese wall? No: our object is the national labor, which we wish to preserve in the country ; to give birth to it where it does not exist ; hut, above all, to preserve it where it does exist. Do we demand, for this, prohibitive duties? No! Duties sufficiently protective? Not even that.

His idea of the proper functions of government reveals a statesman-like grasp of the subject. National labor must be protected and maintained ; new channels for its employment must be created. To show that the duties then existing were not high enough to afford ample protection to all of the industries of France, he proceeded as follows :

*The lesson
of history.*

I can understand that we might hesitate before undertaking to develop certain industries in a country ; hut what I cannot understand is, that, when they are already developed, we should leave them to perish. We are told that we would have a hot-house industry. What, then, are the nations which have sought to develop among themselves a national labor? They are the nations which are intelligent and free. When the foreigner brings them a product, after they have found it serviceable, they desire to imitate it. The nations which do not have this desire are the indolent nations of the East ; intelligent and free nations seek to appropriate for themselves the products brought to them by foreign nations. We are constantly referred to England. Here is an example which this great and intelligent nation has given us. In the fourteenth, fifteenth and sixteenth

centuries, the people of the Low Countries had become enriched by the beautiful products of their woollen manufactures; England, who had received these products, as soon as she commenced to wake up to her position, said to herself, "It is out of my wools that these tissues are fabricated. I have the hands, the intelligence, the raw material; and shall the labor of foreigners provide me with my necessities?" She kept her wools; she put herself to work; and then commenced the great prosperity of England. Was there any barbarism in that? I am asked, did not England soon after renounce this system? I answer by the question, did not England, only a few years ago, in order to procure for herself the beautiful industry of flax and linens, cover herself with protective tariffs, forbid the exportation of machines, and even give premiums to the peasants of Ireland to encourage the production of flax?

I wish it were in my power to conduct you through the history of civilization. I could show you that there has been no intelligent nation, which has not held it, not only for its profits, but for its honor, to create for itself the productions of other nations, whenever nature did not oppose it. I need not recall Colbert, creating our marine, our woollen industry, our silk industry, our lace manufactures, our glass industry, and for this purpose, giving, according to the language of the times, the money of the king, the lands of the king, and even nobility itself, which was at the king's disposal. This is old-time history, you say. I will lead you to the youngest and freest nation. You shall see that the procedures of two centuries ago are still their procedures. An English member of parliament, Sir Wentworth Dilke, who has traveled over all the English possessions, has recently published a remarkable book, in which you will find a curious picture of the vast Britannic Empire. I would have those who think themselves at the head of the science of political economy, and who scoff at the protective system, read this book. They would see that it is not America alone which covers herself with protective tariffs to develop her own labor; the English colonies, Canada and Australia have recourse to the most energetic tariffs against their own metropolis to establish industries upon their own soil. India herself, which has a colony of 500,000 English established upon her territory, makes tariffs, that its cotton may be manufactured by herself. And Sir Wentworth Dilke repeats the words spiritedly uttered by America, of the West: "An agricultural people should become a manufacturing people. We want something besides the seaboard capitals, New York and Boston. We want to sustain the brilliant cities of the interior, such as Cincinnati and Chicago; and to do this we must exclude, by means of protection, the productions of foreign nations." And nevertheless Sir Wentworth Dilke is a free trader in England; but he comprehends that what suits one country does not suit all, and that *free trade is not the law of the world*. But I lay aside theory, to return to it again, and proceed to the facts which touch us so nearly.

Upon the importance and necessity of building up home industries and the direct benefits which thereby accrue to man, he said:

*Need of
protec-
tion—
Cotton.*

Since all the industries have man for their object and instrument, I shall take as my guiding thread in this debate the order of the necessities of man. It is necessary that man should clothe himself; that he should procure for himself a covering; that he should feed himself; and finally put himself in communication with the world. I shall examine these according to their logical order—the textile industries, those of construction and iron, agriculture, and the merchant marine. Cotton is the grand textile of modern times. It was not unknown to the ancients. Egypt shows us cotton stuffs dating four or five thousand years ago. What is the importance of the industry of cotton among us? We work up 600,000

or 700,000 bales, which represent in weight 90,000,000 of kilograms, and in value 300,000,000 of francs. No industry has superior or equal importance. What is its peril? It is exposed to a double rivalry, that of the English and of the Swiss. The English find the material in part upon their own possessions and part abroad. They have created among themselves an immense market, and it is not possible that we can seriously speak of making Havre the equivalent of England. The English have over us immense advantages: great capital, raw material, an enormous commerce, machines in the greatest number, coal at the cheapest price, and finally, which is a capital point, have the cheapness which results from an immense production. Whilst we move 6,000,000 spindles, they move 34,000,000; we work up 600,000 or 700,000 bales of cotton, they work up 3,000,000. Hence the cheapness which creates the grand production by lowering the general expenses.

. . . It is difficult to establish the true prices of production, I know; but for myself, I am sure that the difference in the cost of production between England and France is not less than 15 or 20 per cent.

*Need of
protection
for the
woolen
industry.*

In reviewing the history of the woolen industry and the conditions under which it was carried on in the two countries, he showed that the fine cloths of France had nothing to fear from British competition, but as to shoddy and coarser stuffs, he said:

The most hideous and tainted rags are disinfected, carded, transformed into a kind of oakum, then into yarn without solidity, which is made into tissues, which, instead of ten or twelve francs, cost four francs a yard. Whilst we formerly made for the people excellent cloths, entirely of wool, and which could not be worn out, we give them at present these detestable stuffs; and this for the profits of foreigners.

This experience of France overthrows one of the principal economic dogmas held to by free traders. The contention of the inexperienced and theoretical writers that excessive and intense competition causes the introduction of new methods, the application of greater skill and the production of a better quality of goods, is wholly fallacious. Such industrial warfare forces the rivals to adopt all methods of cheapening the quality as well as the price in order to hold markets and sustain themselves. Glutted markets, excessive production, intense rivalry, have the same influence on the industries of the nation, as over-population has on the moral and physical condition of society. He continued:

In certain countries where they have pasturage analogous to that of England, and the culture of the large-sized animals has succeeded, the culture of the English sheep, which produce much mutton and wool, has also succeeded; but upon four-fifths of the territory, where the soil is stony, and only the *fine* grasses abound, the fine sheep alone can convert this grass into flesh and manure. But it is threatened that this French sheep must disappear from the soil. [Cries from the Chamber, "It is true."] The wools of Australia do not possess all the qualities of the French wool. They are not so silky, so fine, so supple, and, above all, so tenacious; but they are very excellent, and they are able to make a very formidable competition, because the pastures in Australia are immense, the internal duties are small, and because the facility of transportation permits these wools to be landed upon our shores at very low prices.

Our ovine population has gone down from 40,000,000 to 30,000,000. Our production of wool is 65,000,000 kilograms, and we import 90,000,000. Australia

already gives 165,000,000, and she will give 300,000,000 if they are wanted. La Plata can produce as much more.

In this situation how can the French resist the foreign competition? *The agricultural industry of France cannot dispense with sheep.* The facts which I have given ought to inspire you with the most serious concern.

On the twenty-sixth of January, he said:

A young and very intelligent traveler, M. de Beaumont, has given some curious details about Australia. The wool-growers who commenced with 150,000 francs make as much as 500,000 francs in a year. The reason is that the land costs nothing; there are no taxes; and a man on horseback can take care of 1000 sheep. Australia will soon export 200,000,000 or 300,000,000 of kilograms. La Plata and the Cape of Good Hope will soon reach the same number.

I do not wish to prevent your resorting to these countries. Protection as well as free trade follows the progress of science. But with an indigenous production of 65,000,000 of kilograms, in presence of a foreign exportation which may reach 600,000,000, can you be tranquil?

We are told, make mutton. Have you ever seen sheep producing mutton and no wool? You say to agriculture, grow sheep which produce the most mutton and, the most wool. This unhappy agriculture, which you accuse of being all routine has tried the English sheep in the north of France.

It does not think much of it. Is the essay practicable everywhere? Ask our agriculturists. They will tell you that in the centre, the east, the south, the rustic sheep, the old French sheep, is the only one possible. There are no districts having pastures which grow the mutton sheep, and for four-fifths of the territory the production of 65,000,000 of kilograms remains, in the face of a foreign production which can reach up to 600,000,000 of kilograms. If this situation does not impress you, it is because you are optimists; and this no one has a right to be except for his own affairs. When it concerns the fortune of the community, optimism is nothing but blind improvidence.

Upon the growth of foreign trade under the treaty with England, he showed that prior to 1860 French commerce had increased at the rate of 115 per cent, but that since 1860 it had been reduced to 65 per cent.

*Cheapness
not the
main object
of the com-
mercial
policy of
France.*

But it is asked how is it possible that French industry, which had shown such prodigies at the Exposition, could not compete with all the world? It is true that the French industry has a superiority; but in what? In articles of luxury? Yes: our workmen are very skillful; if they have not the patience of the English workmen, they are no less the most intelligent in Europe. Our silk products are superior to all; and also our printed cottons and stuffs. The English, the Swiss and the Germans borrow our models, and this makes a considerable saving. Our designs are above all comparison; our machines are superior to the English machines; our irons, at least, before the ruin of the charcoal iron forges, were excellent; our grains are, at least, as good as those of Aragon and Naples. But in one thing we are wanting—cheapness of production: we have perfection, but we do not have the cheapness. Moreover, we do not have the immense outlets of England; we have not India and Australia; we have not been able to take in all the markets of the world, the ascendancy given by cheapness carried to such a point as to discourage all rivals. We produce 1,000,000 tons of iron; England produces

10,000,000 tons; how can we produce at the same price? To desire us to enter into rivalry with England in cheapness, is to mistake the genius of France and the truth of our situation. And now shall France complain that she cannot supply so many nations as England? No. She must understand that all nations cannot be great in the same way. England is the nation of cheap production, and she must seek after cheap production. This is her career. France must seek after perfection, and the elevation of her products. How has she made her fortune in the world, and reached this ascending force, of which I have so often spoken? Is it by entering into competition with England in the low price of products? No, gentlemen. It is by selling her silks and printed goods which have no rivals in the world. It is by her merinos, it is by her wines—not the common wines, but the delicate wines, so superior that we made our fortune out of them before the treaties. Since the new system, the quality of products of all industries has been lowered in France. Have our workmen become less skillful? No. But we have sought to rival our neighbors in cheapness. This is the secret of the situation.

But this situation is enviable compared with that of the great and admirable nation which we call England. God forbid that I should utter one injurious word against a nation which has been an inviolable asylum for the proscribed of all revolutions! against that nation which has given us the most beautiful model of human liberty, and where the government, kept at an equal distance from the passions of the low and the passions of the high, is to my eyes the ideal of governments. But I may be allowed to say that it has in its industrial greatness that which is not so solid as the situation of France. France has her consumers within itself. Its market does not depend upon a cannon-shot fired in Europe. And for exportations she has her beautiful products. England, on the contrary, has an artificial existence. She depends upon the doings of the United States; upon the doings of her colonies, which already oppose her with hostile tariffs. May not the day come when its immense production will find no purchasers? She produces ten times as much as her consumption! This little island, in the words of Fox, embraces the world. True; but when she embraces the world, she is vulnerable everywhere. Such was the situation of Holland in the seventeenth century, which had realized a prodigy almost as marvelous. What was needed to make Holland, which gave laws to France, descend from this lofty place? It needed only fifty years. It needed only a Navigation Act in England; it needed only a Colbert in France. God forbid that I should predict for England such a destiny; but I repeat it, her existence, which depends upon consumers, which she seeks everywhere without herself, is less solid than that of France, which has her consumers in her own bosom. I ardently desire that England should continue her career; but I do not envy that career for our own country. That our country should have her career as brilliant, depends upon your wisdom. It is for you to choose between doctrines puerile and full of illusions, and the doctrines of your old national good sense.

The "temporary protection" argument.

On the twenty-sixth of January he resumed the discussion of the economic question, and said before the Assembly:

You say that no protection is due to an industry which demands an exaggerated protection, and an eternal protection. That is your principle; that is the principle of free trade. Let us apply it to France, and come to the bottom of the doctrine. Cotton has been protected ever since it came into Europe. It has been protected by prohibition. I repeat that I condemn prohibition; but I observe that cotton has been protected since the commencement of the eighteenth century, a

protection of a hundred years. But you have declared that you would not have an eternal protection. You must then cease to protect cotton, or your maxim is false. Wool has been protected since the time of Colbert, and it still demands to be protected. Must we, then, abandon our woollens to the competition of Germans, Belgians and English? The linen industry has been protected since all time. It ought then, since it has need of permanent protection, to be given up like the others. Iron has been protected since a very ancient period, and still cannot get along without protection. It deserves it no longer, since you admit only temporary protection. Our agriculture has been always protected. It still cannot produce grain at the same price as the Crimea, and the plains of Western America. It deserves to be no longer protected. What, then, shall France do? If you dare maintain that she can make cotton cloth at the price of England, woollens at the price of Germany and Belgium, if our metallurgy can contend with that of England, and our agriculture afford grain as cheap as the Crimea and America, then I will acknowledge that there is no longer need of protection; and thus, all the world being ruined, there will result universal prosperity. I ask again, can our agriculture produce at the price of the Crimea? [A member, "Yes."'] My adversary proves that he has studied the question more in books than in practice. You can never prove to me that France, with the imposts which weigh upon her agriculture, can produce grain as cheaply as the Crimea. What, then, shall we do? Shall we renounce all our industries, and make only wine? Recall the lessons of history? If there is a country which could content itself with its wines, it is Portugal. What has she become? If France should renounce her industries, her cottons, her woollens, her irons, would not the world say that she had sunk into idiocy?

The fallacy that protective tariffs build up monopolies was exposed in the following very able treatment of the question:

Do protective tariffs build up monopolies?

It is urged that all the protections accorded to industry constitute monopolies, and that, to enrich a few monopolies, we burden the whole country. It is true there is a monopoly; but it is not in France, it is abroad. I desire to say that this little monopoly, which you accord to French industry, destroys the monopoly of foreign industry. When England and France alone worked up cotton, as you know, what was the price of a kilogram of cotton yarn which is now worth three francs? It was worth twenty-seven francs. It is true that this was at the period of our wars, and when the raw material bore a high price, but after the peace the price was still as high as fourteen francs. It has gone down now to three francs. And here is the reason why: In proportion as the French production was developed, there was, in spite of prohibition, a sort of penetration between the two markets. We created a competition with England, and thus the cotton fell to three francs. *What purpose, then, has the monopoly served? It has compelled the foreigner to lower his prices.* Every time that you give a protection to a national product, you cause the price of the foreign product to be lowered, and you prevent monopoly. Another example more recent: When the linen industry was destroyed in France by the English production by power, a kilogram of thread was worth seven francs. We protected the linen industry in France. This protection permitted competition; and the French product compelled the English manufacturers to lower their prices to three francs fifty centimes. If, then, there is anything evident, it is that this pretended monopoly, this sacrifice of a few centimes, produces a general lowering of price, which is for the benefit of the whole country. . . . If you are not willing that the French manufacturers should fabricate, because you have to pay 20 per cent more than in England, it will end in the English making you pay 100 per

cent more. If England were the only country to produce certain objects, could you have them at the same price? Certainly not. It is competition, sustained by a just protection, which destroys foreign monopoly. Those who speak of universal, unrestricted competition do not comprehend it. Do you know what true competition is? It is that no nation should ever suffer itself to make any surrender of its native industries. It is that no one should say that it will no longer manufacture cotton, because it cannot produce as cheaply as another; that no one shall say that it will no longer fabricate cloths, because it cannot fabricate at so good an account as its neighbor; that no one should say that it will not raise grain, under the pretext that grain is produced more dearly than in other countries. The nation which should reason thus would exhibit the reasoning of an idiot. Do you know what is the true competition of nation with nation, the universal competition? It is a noble ambition on the part of each people, *the noble emulation of producing everything* and even that which it produces with less advantage than other people. This competition has, as its result, the reduction of prices to the lowest attainable standard, and throughout the entire world.

*Present
condition
of France
under
protection.*

In 1891 France had a population of 38,343,192 and an area of 204,092 square miles—equal to the combined area of New England, New York, Pennsylvania, Maryland and Virginia, or to that of Indiana, Illinois, Wisconsin and Iowa. Of the inhabitants a trifle more than one-half are dependent on agriculture, one-fourth on manufactures, one-tenth on commerce, while the rest are divided between transportation and the different professions, leaving one million and a half to the civil and military service of the country. In examining the present condition of industrial life in France it must be remembered that it has been only about fifteen years since she returned to the policy of rigid protection. As most of the statistics available must be taken from the returns of 1890 to 1893 they should, as far as possible, be thought of in comparison with the returns for 1882, when a revised and thoroughly protective tariff law went into operation. While France is to-day the wealthiest country on earth considered per capita, she also has the greatest debt, it being nearly \$5,000,000,000 or \$154 per capita, as compared with a debt of \$15 per capita in the United States. Nearly one-half the wealth of France is centred in her agricultural interests, which represented in 1889 a value of \$19,300,000,000, or over 20 per cent in excess of the value of farms in the United States. The total value of the agricultural products in the same year was \$2,605,500,000, which is greater by \$145,000,000 than the returns for the United States, though, as will be seen in the pages devoted to agriculture in the United States, the amount as returned by the census is a very low estimate. France, however, can show a most favorable comparison for the reasons that her land is almost wholly productive and yields a larger average per acre, while prices of agricultural products are uniformly higher than in this country.

The following table will show the percentage of land under cultivation and cultivable in 1889:

CROPS, ETC.	Per cent of total area of France.	Per cent of total area cultivable.
Cereals, ...	29.14	31.95
Meadows, etc., ...	19.82	21.7
Fruits, nuts, etc., ...	6.30	6.91
Potatoes, ...	2.82	3.00
Industrial plants, ...	.97	1.07
In fallow, ...	6.89	7.56
Forests, ...	17.89	19.62
Uncultivated, ...	16.17	8.06
- Total, ...	100.00	100.00

Agricultural productions.

Of the total number of farmers in France in 1891, 65 per cent were farming their own land.

To show the production of cereals for the past fifteen years, the following is taken from the report of the United States Department of Agriculture :

YEARS.	Wheat. Bushels.	Oats. Bushels.	Rye. Bushels.	Barley. Bushels.	Buckwheat. Bushels.	Indian Corn. Bushels.	Meslin. Bushels.
1878,	273,685,660	220,961,997	71,169,539	46,024,537	32,761,346	32,662,602	17,768,210
1889,	307,379,014	241,940,914	65,626,937	44,851,352	26,489,362	25,966,513	12,940,945
1890,	331,772,193	265,708,885	68,588,109	48,687,185	27,172,439	23,816,856	13,524,629
1891,	219,257,240	301,208,155	61,262,861	72,135,602	29,236,991	26,532,620	10,494,592
1892,	310,835,719	238,342,265	66,850,803	46,108,414	27,724,391	26,604,524	11,625,836

For the purpose of showing the reader the result of a highly diversified system of agriculture in a country but one-third larger than the State of California the following statistics of quantities and values of the principal agricultural products other than cereals are given for the year 1893 as compiled by the Bulletin of the United States Department of Agriculture:

Diversity of agricultural productions.

PRODUCTS.	Production.		Value.
	Unit.	Quantity.	
Potatoes, ...	Bushels	435,099,853	\$121,679,577
Sugar beets, ...	Tons	5,951,368	30,247,768
Other beets, ...	"	7,619,873	36,296,228
Vineyards, ...	Gals. of wine	1,339,410,875	227,522,672
Clover, ...	Tons	1,943,156	43,055,325
Alfalfa, ...	"	2,122,168	51,181,153
Sainfoin, ...	"	1,118,368	25,572,724
Meadows and permanent pastures, ...	"	7,291,321	180,618,597
Hemp, fibre, ...	"	26,542	4,205,049
Hemp, seed, ...	Pounds	26,109,976	731,574
Flax, seed, ...	"	29,504,209	712,899
Flax, fibre, ...	Tons	17,660	2,983,947
Tobacco, ...	Pounds	43,369,726	3,329,124
Colza, ...	Bushels	2,153,423	2,986,179
Rapeseed, ...	"	163,812	244,590
Poppies, ...	"	336,248	692,797

¹ Including millet.

PRODUCTS.	Production.		Value.
	Unit.	Quantity.	
Aftermath, ...	Tons	1,366,080	\$28,657,889
Sesame, ...	Bushels	41,178	34,419
Hops, ...	Pounds	5,945,199	1,313,753
Chestnuts, ...	"	1,008,677,143	7,092,460
Walnuts, ...	"	297,585,560	5,001,780
Olives, ...	"	259,804,987	5,174,435
Cider apples, ...	"	8,564,171,351	23,551,213
Plums and prunes, ...	"	266,006,804	4,638,111
Oranges, ...	"	8,027,462	149,644
Lemons, ...	"	11,287,654	303,396
Citrons, ...	"	6,613,860	104,220
Millet, ...	Bushels	1,574,172	
Mulberry leaves ¹ , ...	Pounds	517,553,946	2,381,923
Cocoons, ...	"	22,017,782	8,392,404
Milk, ...	Gallons	1,838,665,229	213,694,472
Wool, ...	Pounds	95,962,479	12,121,588
Honey, ...	"	6,432,607	2,049,481
Wax, ...	"	4,427,157	853,105

To this can be added the livestock on farms in 1893 as follows:

Horses, ...	2,767,648	Other meat cattle, ...	6,149,395
Mules, ...	215,755	Sheep, ...	20,275,716
Asses, ...	357,965	Swine, ...	5,860,592
Milch cows, ...	6,005,246	Goats, ...	1,466,451

It will be seen that the wine industry of France is the greatest, or, combining all cereals as one production, the product of the vineyards ranks second. Many vineyards, are, however, being abandoned owing to the fact that the ravages of the phylloxera have made wine-producing in certain districts unprofitable.

In no other part of the world can such diversity of rural production be seen with the exception of the fibres which cannot be profitably grown to any great extent and which are admitted free of duty, but to encourage their production a bounty is granted, the French agriculturist is advantageously engaged in every pursuit made possible by soil and climate. The farmers of the United States would do well to study carefully the value of this diversity of occupation. They would learn a two-fold lesson. First, that the French farmer does not believe in confining himself to a single product or even a few, knowing full well the value of making every acre yield what it can to the greatest advantage and profit, and second, that France cannot be numbered among the markets of the world so much sought after by the free traders. This will be the more apparent when a glance at her manufacturing resources is taken.

The total value of manufactures in 1888, as given by Mulhall, amounted to £485,000,000, as against £390,000,000 in 1878. In 1888 they were divided as follows:

¹ For silk worms.

Textiles, ...	£108,000,000
Hardware, ...	42,000,000
Food, ...	114,000,000
Clothing, ...	64,000,000
Leather, ...	52,000,000
Sundries, ...	105,000,000

The Statesman's Year Book for 1890 gives the following table concerning the textile industry:

	Factories.	Operatives.	Spindles.
Cotton, ...	1,000	119,000	5,100,000
Wool, ...	1,926	115,000	3,300,000
Silk, ...	1,172	110,000	1,100,000

The production and consumption in 1887 were as follows:

	Production.	Consumption.
Cottons, ...	£19,000,000	£18,000,000
Woolens, ...	46,000,000	31,000,000
Silks, ...	29,000,000	22,000,000
Linens, ...	9,000,000	6,000,000

The metallic industries may be thus compared:

	Production.	Consumptions.—Tons.
Steel, ...	£15,900,000	530,000
Iron, ...	19,500,000	1,300,000
Copper, ...	3,500,000	35,000
Lead, ...	3,100,000	.

In 1891 France exported \$376,000,000 worth of manufactures, while we exported only \$151,102,376 worth, or only two-fifths as much. *Exports.*

The following table will show the value of the principal articles of merchandise exported from France to the United States in 1893:

ARTICLES.	1893.	ARTICLES.	1893
Silk—cloth, ribbon, etc., . . .	\$12,499,000	Other articles of leather and fur, ...	691,000
Wool—cloth, ribbons, etc., . .	4,047,000	Artificial flowers, ...	661,000
Fancy goods of Parisian make, .	1,588,000	Cream of tartar, ...	430,000
Skins and furs, raw, ...	648,000	Wool, raw, ...	379,000
Wines, ...	1,451,000	Hides, prepared, ...	592,000
Cotton goods, ...	1,100,000	Clothing, ...	1,234,000
Feathers for ornament, ...	962,000	Paper, books and engravings, .	598,000
Gloves (leather), ...	3,372,000	Pottery and glassware, ...	542,000

During the same year our exports to France amounted to \$46,619,138, of which \$30,000,000 was in raw cotton, oils and tobacco. Not only can we not expect to find an increased market in France for our products outside of cotton and tobacco, but we must reckon France as one of our greatest competitors in other markets, not excepting our own. The French are a courageous people, and may be expected to hold their own in any industrial warfare in which they may engage. Their manufactures have grown in the last fifty years with wonderful rapidity, and have kept

pace with scientific and mechanical progress. While in 1840 only 2591 steam engines were employed in manufactures, in 1884 there were 34,350 used, which number it may safely be assumed exceeds 40,000 to-day.

"This revolution," say MM. Lebon and Pelet in "France As It Is," "which has been simultaneous with the immense development of production and traffic has not, however, hindered wages from rising very considerably. Wages have, in fact, doubled—in some cases more than doubled—since the beginning of the century." One million and a half operatives are employed in making textiles, there being over 10,000,000 spindles at work.

In recent years the export of silk goods have been twice that of cotton goods, while woollen exports have been three times that of cotton. In iron and steel industries also, France has shown great progress. She possesses rich iron deposits, which are, however, at a great distance from the coal mines. Much of her ore is, therefore, imported.

Beet sugar industry.

Of the many industries grown up in France, under protection, no better example can be taken than the creation and promotion of the sugar industry from beets. At the beginning of the century the price of sugar rose to ninety cents per pound, owing to the system established by Napoleon, excluding sugar of British colonies from the countries under his control and because of the blockade by Great Britain. Chaptel, the Minister of the Interior, established two imperial factories to manufacture the sugar from the beet. Other parts of France followed the example and it was found that it could be made at a considerably lower price than that to which it had risen. The establishment of the beet root industry in France was due largely to the efforts of the first Napoleon. Although the process had been discovered by Margraff, a Prussian chemist, in 1747, and further developed by another, named Achard, who received the patronage and encouragement of Frederick the Great, yet it was not until especial assistance was given by Bonaparte to its manufacture that the industry became fully established in Europe. He gave encouragement to chemists, agriculturists and manufacturers. In 1812 Napoleon, by decree, established schools and factories for the extraction of the sugar from the beet. He ordered the cultivation of 100,000 acres, which it was estimated would produce 37,000 tons of sugar, at that time sufficient for the wants of France. It was also exempted from every tax for four years. Soon afterwards the duty on foreign sugar was raised. From 1822 to 1825, 100 factories produced 5000 tons annually. In 1838 a duty of 1.6 cents per pound was imposed on beet root sugar, and in 1840 it was increased to 2.6 cents. In 1843 began an annual increase for five years, and in 1848 the duty was equalized with that on colonial sugar. From 1822 the increase in production of sugar was rapid. In 1828 the production was 4404 tons; in 1838, 43,000; in 1858, 150,000 tons; in 1875, 462,259, and in 1884, 1,200,000 tons. Not only vast quantities are exported, but the home

Results of protection to the beet sugar production.

consumption is very great. It rose from 55,000 tons in 1825 to 200,000 in 1862, and 410,000 in 1887, or from four pounds to twenty-three pounds per inhabitant between the dates given. There is no doubt that France would have been unable to meet, so promptly, the consequences of her last war unaided by her agricultural wealth due to the beet root factories of the north and the vineyards of the south. A similar policy was adopted in Russia, Germany, Hungary, Belgium and Holland, namely, protection to beet root sugar and with similar results. In 1830 there were no beet root factories in Europe outside of France. In 1876 the returns were as follows:

	Tons.
Germany, ...	346,645
Russia, ...	245,000
Hungary, ...	153,922
Belgium, ...	79,796
Holland, ...	30,000
France, ...	462,259
Total, ...	1,317,622

The production of sugar from the beet is only one of the benefits arising from the industry itself. It benefits every other branch of agriculture, either directly or indirectly. It draws the surplus labor from other channels. Millions of tons of coal are annually used in the conversion of beets into sugar. The greatest benefit, however, is, of course, to the consumer. In France the price of raw sugar per pound fell from 12.6 cents in 1816 to 5 cents in 1866.

In recent years the production of pig iron has averaged about 1,700,000 tons, and of manufactured iron and steel about 1,400,000 tons

Wages.

Concerning the question of wages in France, while reports are to some degree conflicting, yet it is certain that considerable advance has been enjoyed by the French artisan in recent years. From the reports of various British consuls, as found in the Second Report of the Royal Commission on Depression of Trade and Industry, 1885, the following is gleaned:

BORDEAUX.

The rates of wages both for skilled and unskilled labor are from 20 to 30 per cent higher than twenty years ago.

BOULOGNE.

I am informed that wages have increased since 1870 from 12 to 15 per cent, in some special cases more than 45 per cent.

The hours of labor for machine and engineering work are ten hours and for mills, twelve hours per day.

A gentleman well able to speak on the subject writes as follows from Roubaix: "In the cotton mills the ordinary hands receive now 18 to 20 francs per week (14s. 5d. to 16s.), whereas so late as 1876 for the same work they could be had at

Rise of wages.

14 and 15 francs (11s. 2d. and 12s.); the contremaitres and acquiseurs, etc., that is, the better class workers in the cotton mills, receive now 28, 30 and 35 francs per week (22s. 5d., 24s. and 28s.); ten years ago the wages were 24 and 25 francs (19s. 2d. and 20s.); rattacheuses, bobinenses, etc., girls who some years since could be had at 12 francs (11s. 7d.), now receive 15 to 18 francs (12s. to 14s. 5d.).

"In mechanics' shops the contrast is still greater, as they are now paid 50 to 60 centimes per hour (5d. to 6d.), good hands, that ten years ago could be had at 35 to 40 centimes (3½ to 4d.), the ordinary men in proportion.

"What is said above about cotton operatives may be applied in general to the wool, worsted and other industries, with the exception of weavers, who have, I believe, not enjoyed the same proportionate rise in wages."

CHERBOURG.

Wages are decidedly higher in every respect.

HAVRE.

The rate of wages for skilled and unskilled labor has increased from 25 to 40 per cent, in most trades during the last twenty years.

The following figures show the rate of wages for some of the principal classes of labor:

Wages paid by the hour: Ordinary laborers, 40 centimes; bricklayers, 55; plasterers, 60; stonemasons, 65; joiners, 60; carpenters, 65; plumbers, 65; locksmiths, 65; painters 60; glaziers, 65; gasfitters, 65; whitesmiths, 70; gilders, 90; decorators, 1 franc.

Wages paid by the day: Engine fitters, 6 fr.; boiler-makers, 7 fr.; foundrymen, 5 fr. 50c.; ship carpenters, 8 fr.; caulkers, 8 fr.; riggers, 6 fr.; dock laborers, 4 fr. 50 c. to 6 fr.

The ordinary day's work is ten hours.

Wages paid by the week: Spinning mills—Overlookers, 45 fr.; spinners, 37 fr. 50 c.; card grinders, 27 fr.; strippers, 24 fr.; engineers, 36 fr.; stokers, 30 fr.; self-acting minders, 8 fr.

Weaving mills—Overlookers, 40 fr.; warpers, 23 fr.; slashers, 36 fr.; winders, 15 fr.; drawers, 34 fr.; weavers, 18 fr. to 25 fr.

ROUEN.

The rate of wages in this district (*a*) for skilled and (*b*) for unskilled labor is materially above the average of the last twenty years; the quantity of work produced per man not being greater, the quality, perhaps, somewhat improved.

The specific (*a*) rate of wages for mechanics average 6 francs per day, and (*b*) usual hours of labor ten per day, overtime one and a half hours per hour worked. Unskilled labor (*a*) generally 4 frs. per day of (*b*) twelve hours' work.

MARSEILLES.

Wages for skilled and unskilled labor employed in the local oil and soap works and all other industries have increased by about 30 per cent within the last twenty years.

NANTES.

The rate of wages, taking into consideration the quantity and quality of the work given in exchange, is considerably in advance of the average of the last twenty years.

The rate of wages at St. Nazair for both skilled and unskilled labor has increased of late years. In 1878 the price paid to stevedores for discharging cargoes

of grain, etc., was 1 fr. a ton, and they paid their laborers 30 c. an hour. At the present time a stevedore receives 60 centimes a ton and pays 40 centimes an hour to his laborers.

In Anjou from 2 fr. to 3 fr. a day, according to season.

At Nazair the average rate of wages paid per week of sixty hours for different trades is as follows:

	Francs.		Francs.
Riveters, ...	27	Ship carpenters, ...	30
Smiths, ...	28	Caulkers, ...	36
Fitters, ...	30	Ship smiths, ...	28
House carpenters, ...	24	Riggers, ...	30
Joiners, ...	30	Moulders, ...	28
Boiler makers, ...	27		

The desire of the American free trader to find a foreign market for our farmers instead of extending the home market, and the recent search all over the world by our Secretary of Agriculture for an outlet particularly for American grain, furnish the excuse, if one is needed, for reverting to the fact that French markets, as well as those already examined, must be eliminated as markets for American farm produce. Referring for a moment to the question of production and consumption of wheat alone, the following facts are taken from the report of Consul-General Samuel E. Morss, dated Paris, March 16, 1894. From this report it is learned that the normal consumption of wheat in France exceeds 340,000,000 bushels annually, while the domestic production averages about 300,000,000 bushels, leaving a deficit of only about 40,000,000 bushels to be supplied by importation either of wheat or flour. And with the increasing production of this staple in Russia, India, Hungary and the Argentine Republic, the prospects for an increased demand for American wheat or flour are anything but favorable. In France the new duties on wheat and flour, the report says, are higher than those of any other country in Europe. The discrimination between wheat and flour is such as to be almost a prohibition against the importation of the latter from America. The number of flour mills in France or as the Consul puts it "those occupied exclusively with the grinding of grain" is 50,000. The milling industry is in entire harmony with the agricultural interests of the country and the financial interests of the cities. Even at the unprecedented low prices of grain prevailing in 1893, the value of grain handled amounted to \$482,500,000. This sum would be larger in a year of scarcity and high prices. In 1886 the National Association of French millers was founded, including the owners of all the great mills in France. This association meets annually, and all questions concerning the interests of the trade are discussed. "The organization," says Consul Morss in conclusion, "is constantly on the alert against foreign competition in the French market and is a factor always to be considered by those who are interested in extending the demand for American flour in France."

France does not afford an extensive market for products of the United States.

*The aim of
the French
tariff
policy.*

If there is any lesson to be learned from a study of recent tariff legislation in France and from the reports of our consuls it is to the effect that France is, year by year, successfully aiming fully to supply her own needs, not only in all products of agriculture but in manufactures as well. As has been shown in this chapter France has developed the diversification of industry as has no other people on earth. She has been compelled to learn severe lessons in the past and her bitter experience is now serving her present statesmen and there is no doubt that in their wisdom they will continue to enact such laws as will make the French nation and the French people, so far as is expedient, industrially independent of all foreign countries.

The statistics showing the growth of the foreign trade of France will be found in Table No. 11, at page 312.

CHAPTER IV.

AUSTRIA-HUNGARY, ITALY, BELGIUM, HOLLAND, SWITZERLAND AND OTHER COUNTRIES.

To-day Austria-Hungary has a population of 42,750,000 (census of 1890), and an area of about 264,000 square miles, corresponding almost exactly to the size of the State of Texas. It is the most mountainous country of Europe, save Switzerland, four-fifths of the entire area being more than six hundred feet above the level of the sea. Since the Treaty of Prague, in 1866, Austria has enjoyed a period of peace and opportunities to attain industrial progress, of which she has not been slow to take advantage. On the eighth of June, 1867, the Emperor Francis Joseph and the Empress of Austria were crowned King and Queen of Hungary. Since 1780 when Joseph II. made many changes in the laws of the country, Austria has enjoyed prohibitive custom laws to a greater or less degree. But neither protective nor prohibitive tariffs can give work and wealth to a country whose soil is being trodden by hostile armies and whose people are engaged in defending their very lives. Between wars Austria attained considerable progress in trade and commerce, but only perhaps to have the gains of a decade swept away in as many days. Again, during the preparation for war, as well as during a war period and the years of recovery following, duties must be levied with a view to revenue as well as food and other supplies for the army, home industries receiving little consideration. In 1853 a commercial treaty was effected with Prussia through the influence of Prussian free traders, which greatly reduced duties on imports. This treaty is of special importance because it was brought about through Mr. Cobden's influence, and was the first assault on protection in Europe by the emissaries of Manchester. Any reduction of duties in favor of Prussia, would be of equal benefit to England, because Austria was bound to admit British goods under the same terms imposed on those of other countries. By adopting free trade Great Britain had nothing to offer to Austria as an inducement to extend favors to her manufacturers so her schemes must be promoted by foreigners working in her behalf.

Austria-Hungary.

Reduction of duties.

Just preceding and following the war of 1866, duties were considerably lowered, and it was not till 1882 that all thoroughly protective duties were restored. Upon the conclusion of peace, however, followed by the closer union with Hungary, Austria began at once to advance in arts and trades. Manufacturers saw that Austrians could not be successful competitors without a thoroughly protective tariff, and succeeded in

Protection.

obtaining the general revision of 1882, which was supplemented in 1887 by a still higher rate of duties. This is the tariff now practically in operation. Three hundred and fifty-seven articles are enumerated, of which fifty-six are free of duty. The only article bearing an export duty being rags and other refuse for the manufacture of paper. The Austrian Empire has commercial treaties with nearly every other country, though many of them may be broken off at any time. We must regard Austria-Hungary in the light of a new country, just recovering from centuries of past struggles and still maintaining a standing army of 1,500,000 men, burdened with a debt amounting to nearly \$3,000,000,000, and with annual revenues hardly equaling expenditures. In recent years, however, she has enjoyed a favorable balance of trade, it being as high as \$50,000,000 in 1893. Year by year imports of such articles as can be produced at home are decreasing. Like Russia, Austria is now a large exporting country. Of sugar alone she is now exporting as much as \$40,000,000 worth a year. It was not till 1864 that Austria began to export sugar, the foreign sale for that year being only \$670,000; yet in the ten years from 1883 to 1893 the value of sugar exports amounted to \$256,000,000. It is such figures as these that put to shame the actions of American free traders, who would and do deprive our farmers of an industry worth at least \$100,000,000 annually.

The Austrian and Hungarian governments do all in their power to promote native industry. The result is that in twenty years an extraordinary advance has been made both in manufactures and agriculture. In textiles and in iron and steel industries most satisfactory progress has been made. There are also glass and leather, paper and copper industries, as well as numerous minor undertakings. Austria is noted for its beer, about 5000 breweries being in operation, while brandy and other liquors are made to some extent. Mining is a very important Austrian industry, coal being the chief product. In 1893, 191,876 laborers were employed of whom 14,500 were women and children. The production of the mines in 1892 amounted in value to \$10,000,000.

*Increase of
home pro-
duction.*

Agriculture is, however, the chief occupation of the people, the productive land being nearly 90 per cent of the total area. The principal product is grain, including wheat, rye, oats, maize, barley, buckwheat and millet. Flax, hemp, beets, hops, tobacco and vegetables are also raised in large quantities. Fruit and nuts also abound. Nearly one-third of the land is occupied by forests which consist mainly of oak, pine, beech, ash and elm. The increase in production of agricultural products has given a great impetus to the making at home of farming implements, which is to a great extent shutting out the make of foreign countries formerly imported. Not only that but nearly all the requirements of the railways for rails and rolling stock are made at home. To be sure, British firms with British capital, aided by other foreign

capitalists, have brought this about, but British capital at work in Austria-Hungary is worth more to the empire than British capital at work in England. Englishmen have a habit when they find their wares shut out from a country by import duties, of emigrating to that country with the industry itself. This gives employment to the native who soon learns to make his own goods. It has been so with the Austrian. He has been quick to learn and has rapidly become a skilled artisan. Says the British Consul in a recent report to his government: "The imports of manufactured goods decrease from year to year, on account of the production in Austria being protected by such high duties an increase of which is possible as an agitation is always going on on the part of the Austrian manufacturer."

The decrease in imports has been regular and will continue if the duties are raised. New establishments are being founded by Austrian firms and with Austrian money. The rate of wages is on the increase. Skilled labor is in great demand. The wages on an average in all lines of work are about seventy cents per day, though in many occupations they are from eighty cents to one dollar. In most parts of the empire wages have doubled in the last twenty years. The following table taken from United States Consular Report No. 164, page 44, will show the exports of Austria-Hungary to the United States for the calendar year 1893:

VALUE OF DECLARED EXPORTS FROM AUSTRIA-HUNGARY TO THE UNITED STATES
DURING THE YEAR ENDING DECEMBER 31, 1893.

*Exports to
the United
States.*

ARTICLES.	Value.	ARTICLES.	Value.
Albumen, ...	\$ 23,470.43	Brought forward, ...	\$5,839,358.26
Amber, ...	16,780.93	Fruits, dried, etc., ...	247,730.40
Argols, ...	4,092.76	Furniture, ...	83,200.29
Art. works of, ...	33,969.17	Furs, ...	1,711.29
Artificial flowers, ...	39,172.70	Glassware, ...	965,810.55
Baskets and basket ware, ...	37,461.32	Gloves, ...	292,110.93
Beans and lentils, ...	718,120.73	Graphite, ...	9,656.31
Bed feathers, ...	190,095.38	Gums and glue, ...	92,454.18
Beer, ...	103,036.23	Hair :	
Beet-root sugar, ...	3,306,954.45	Animal, ...	19,722.83
Black lead, ...	13,432.42	Human, ...	34,254.88
Bonnet frames, ...	2,117.26	Hats, ...	2,759.42
Brushes and bristles, ...	14,004.44	Herbs, roots and leaves, ...	33,690.34
Buttons, ...	315,697.25	Hops and lupulin, ...	94,145.62
Carlsbad Sprudel salt, ...	33,340.26	Insect powder and flowers, ...	71,389.22
Chenilles and embroideries, ...	15,912.86	Jewelry, ...	290,007.47
Cloth and woolen goods, ...	120,214.37	Leather and skins, ...	236,049.94
Coffee and surrogates, ...	219,733.36	Leather goods, ...	42,853.07
Cotton goods, ...	259,900.55	Linene goods, ...	811,257.52
Cutlery, ...	14,931.66	Machines and parts thereof, ...	1,191.00
Cattle bone, ...	13,571.05	Books and paper, ...	28,524.24
Dresses, ...	2,350.31	Carbon lights, ...	29,255.75
Drugs and chemicals, ...	120,491.61	Magnesite, ...	10,644.77
Fans, ...	209,810.29	Meerschaum, crude, ...	37,070.70
Felt, ...	10,696.47	Metal ware, ...	151,807.37
Carried forward, ...	\$5,839,358.26	Carried forward, ...	\$9,426,656.35

ARTICLES.	Value.	ARTICLES.	Value.
Brought forward, . . .	\$9,426,656.35	Brought forward, . . .	\$11,196,870.40
Mineral water, ...	92,494.81	Sponges, ...	8,901.70
Mirror glass, ...	31,395.22	Sparterie, ...	9,818.57
Musical instruments, . . .	40,061.85	Stained glass, ...	7,884.92
Oils, paints and colors, . .	101,142.28	Stationery, ...	11,371.94
Ozcerits and cersin, . . .	19,473.40	Tobacco, ...	2,059.02
Paper goods, ...	44,822.26	Toys, ...	25,466.59
Pearl blanks, ...	19,781.71	Umbrella fixtures and sticks, ...	131,248.30
Polishing earth, ...	5,819.46	Wax figures, ...	3,497.08
Porcelain and pottery, . .	717,666.95	White lead, ...	7,202.63
Potash, ...	33,846.53	Wines and liquors, . . .	92,965.73
Pulp, ...	229,228.44	Wooden ware, ...	28,944.89
Scientific instruments, . .	8,774.95	Wool, ...	157,066.52
Seeds, ...	23,750.55	Miscellaneous, ...	61,037.12
Shell and bone ware, . . .	30,235.34		
Shoes and boots, ...	18,462.39	Total in 1893, ...	\$11,744,325.41
Silks and velvets, ...	259,179.68	Total in 1892, ...	10,197,576.17
Skeletons, ...	3,596.72	Total in 1891, ...	13,595,374.32
Smokers' articles, ...	106,706.28	Total in 1890, ...	14,355,225.57
Soap and perfumery, . . .	3,775.23	Total in 1889, ...	9,121,846.33
Carried forward, ...	\$11,196,870.40		

The Austrian market.

It is very evident that we are not going to find a market in Austria for these eighty articles which they are now making for us. Not only must we eliminate Austria-Hungary as a market for manufacturing, but we are hardly likely to sell much grain to a country whose grain crop is the largest in the world outside of our own country and Russia, and which exports from 30,000,000 to 50,000,000 bushels annually of grain and flour. At present our exports to Austria are so insignificant that they are classified under "all other countries" in the government statistics. We do sell them half a million dollars' worth of merchandise, mostly oils, but it is not likely that we are going to increase our sales. Even if Austria were not supplying her own wants, she is in the centre of a group of nations with unlimited productive power and resources and with rates of wages about one-quarter those of our own workmen. Nor is there any tendency to a lowering of duties; on the contrary, the Chambers of Commerce, as well as the producers and consumers, are so satisfied with the system of high duties, that there is constant agitation for still higher rates. Should peace continue for another decade or two, the intelligent, skillful, industrious, ambitious Austrian will not only supply all of his own needs as far as possible, but be a sharp and successful competitor in the markets of the world wherever he can gain access.

ITALY.

Italy, prior to 1860, suffered from wars, a social and economic evil, which made the development of industries most difficult. In 1859 Victor Emmanuel, King of Sardinia, gained Lombardy, Parma, Modena and some of the Pontifical States. Tuscany was also annexed and soon after the two Sicilies, the Marches and Umbria. These were all united under

the title of Kingdom of Italy in 1861, with Florence as the seat of government. By the treaty of Prague, in 1866, Venetia was gained by royal decree and the remainder of the Papal States were annexed in 1870, Rome becoming the capital of the now reunited kingdom. It is only since this date then, that a satisfactory tariff and industrial history of Italy can be given.

To-day is found a people numbering 30,000,000, and occupying territory of about 114,000 square miles, or 6000 miles less than the United Kingdom, and 1000 square miles less than New York and the New England States. With her rich soil, warm and favorable climate, Italy from the earliest time has been noted for the richness and great variety of her agricultural products. Previous to the union manufacturing had been carried on to little extent. Upon the union of the Italian States the old customs barriers were removed to the frontier, and maintained almost solely for revenue purposes. But in about 1870 the necessity of protecting agriculture, the importance of establishing industries and adopting an industrial policy in harmony with the other States of Europe, became fully recognized, the revenue policy was abandoned and a system of protection to home industries established. The Suez Canal had made the trade of Asia accessible to her merchants. Two great Alpine tunnels placed them in communication with Central Europe and afforded excellent facilities for transportation.

*Modern
Italy.*

At first foreign firms were induced to establish themselves in the country. Water power gave place to steam. Slowly the small factories began to enlarge, thousands of rustic laborers moved to the cities and industrial centres, till to-day Italy is making great strides in manufacturing, wholly supplying many of her own wants and becoming an exporter of those articles which hitherto had been imported. The kingdom is amassing wealth, the people are adding to their savings, and when compared with conditions of scarcely a generation ago, it may be said that the people are thriving and prosperous. The tariff policy of the country is definitely protective. The method of aiding industrial development is similar to that adopted by Russia; at first an industry itself is established by any encouragement that will bring about its rapid growth. Gradually the duty on the finished article is raised, and duties are levied one by one on the materials used, as it is seen that they also can be produced at home. The present tariff schedule contains 350 enumerated articles, only sixty of which are admitted free, the latter including raw cotton, wool, metallic ores, hides, seeds, eggs of silk worms and coal. Those articles bearing an export duty are boracic acid, marine and rock salt, tartar and tartar crusts, fruits for dyeing and tanning, metallic ores, sulphur, castor and flax oils and objects of art. The tariff law of 1887, although necessarily an excessive revenue measure was designed also to afford protection to domestic industries.

*Industrial
advance-
ment.*

*Evidence
of economic
improve-
ment.*

Perhaps no greater indication of the country's welfare is seen than in the fact that the total number of pupils in the elementary schools has increased 150 per cent since 1860, the number of teachers having increased in about the same proportion. Agricultural, industrial, commercial and technical education is now being greatly encouraged by both private and governmental aid. Protection has ever been a great lever to promote the mental as well as the material welfare of a people. Every year since 1870 has shown a substantial increase in the savings of the masses. In 1872 the savings amounted to only \$95,000,000, while in 1889 they exceeded \$350,000,000, and it is estimated that they have now passed the \$400,000,000 mark. Postal savings banks were established in 1876, and in these institutions, which have been patronized almost exclusively by the laboring classes, the deposits have increased from \$500,000 to \$57,000,000. No reliable figures are at hand to show the national wealth of Italy, though it is estimated at \$10,000,000,000. Compared with some other countries it is, of course, very small. Burdened with a great debt, with an annual deficit which is balanced by foreign holdings and gains, Italy has a struggle before her that will continue for many years. Italy cannot yet pay goods for goods, nor can she pay for excess of imports wholly with gold. The foreign trade of 1890 can be seen from the following enumeration and values taken from United States Consular Report No. 140, page 60, May, 1892:

*Foreign
trade.*

TABLE SHOWING THE COMMERCE OF ITALY FOR THE YEAR 1890.

ARTICLES.	Imports. 1890.	Exports. 1890.
Spirits, wine and oils, . . .	\$6,916,224	\$17,886,776
Groceries, spices and tobacco, . . .	16,841,340	1,393,507
Chemicals, drugs, resins and perfumery, . . .	8,924,696	8,389,606
Dyes, dye stuffs and tanners' articles, . . .	4,519,447	1,937,054
Hemp, flax, jute, etc., ...	5,067,797	7,895,577
Cotton, ...	34,408,561	5,756,342
Wool and hair, ...	17,898,061	1,951,548
Silk, ...	16,813,097	57,959,994
Wood and straw, ...	8,345,542	6,670,589
Books and paper, ...	2,432,150	2,060,347
Skins, hides and furs, ...	8,762,123	4,018,816
Minerals and metals, ...	32,503,615	5,387,778
Stones, earths, pottery and glass, . . .	27,691,496	10,078,439
Cereals, flour and vegetable products not elsewhere included, ...	38,203,374	17,218,565
Animals and animal products not else- where included, ...	21,140,715	18,644,644
Miscellaneous, ...	3,632,827	1,772,227
Total, ...	\$254,101,065	\$169,021,809
Gold and silver, ...	11,126,064	12,864,434
Grand total, ...	\$265,227,129	\$181,886,243
Excess of imports over exports (merchandise), ...		75,079,256

The trade with the United States can be seen from the following table:

UNITED STATES AND CANADA.*		
ARTICLES.	Imports. 1889.	Exports. 1889.
Spirits, wine and oils, ...	\$2,196,533	\$2,229,922
Groceries, spices and tobacco, ...	3,171,569	461,270
Chemicals, drugs, resins and perfumery, ...	1,979,794	2,448,205
Dyes, dye stuffs and tanners' articles, ...	162,892	305,712
Hemp, flax, jute, etc., ...	1,930	34,547
Cotton, ...	4,705,533	31,266
Wool and hair, ...	44,390	7,334
Wood and straw, ...	489,834	371,911
Silk, ...	965	991,634
Books and paper, ...	6,369	152,277
Skins, hides and furs, ...	105,378	181,420
Minerals and metals, ...	341,417	216,353
Stones, earths, pottery and glass, ...	121,204	2,371,777
Cereals, flour and vegetable products not elsewhere included, ...	230,249	4,390,557
Animals and animal products not elsewhere included, ...	974,264	247,040
Miscellaneous, ...	10,615	146,873
Total, ...	\$14,542,936	\$14,588,098 ¹

* The trade with Canada is insignificant.

But it must be remembered that Italy, great as has been her progress since 1870, and particularly since 1887, is still trying to supply her own wants. Till that is done she cannot have a favorable balance of trade. A foreign commerce does not, however, measure a country's prosperity. It may, on the contrary, be an indication of decline. The nation that cannot produce for itself to a large degree must pay the bill, and the end is bankruptcy. Italy is beginning to supply a large proportion of her needs. She is feeding her own people, and furnishing much of the raw material for her workmen to make up into manufactured goods. Tariffs, however, cannot assure good crops, and in this respect Italy has suffered considerably since 1886-87. The failure of the crops caused a financial crisis, from which she is now recovering. Labor troubles, too, have had their effect, as has the breaking of the French treaty and the industrial war with that country.

*Agricultural
products.*

And yet Italy has shown wonderful progress, as will be seen from the following statistics gathered from United States and British Consular reports. The average crop and production of six great staples from 1860 to 1890 is here presented:

¹ United States Consular Report, May, 1892, p. 7.

AVERAGE CROP.			
ARTICLES.	1860-62	1870-74	1879-83.
	¹ Hectolitres.	Hectolitres.	[*] Hectolitres.
Wheat, ...	35,820,000	50,898,000	46,655,000
Maize, ...	16,900,000	31,174,000	29,661,000
Other cereals, ...	17,150,000	13,155,000	12,172,000
Rice, ...	1,433,000	9,798,000	7,381,000
	71,303,000	105,025,000	95,869,000
Oil, ...	1,565,000	3,323,000	3,436,000
Wine, ...	24,003,000	27,539,000	36,594,000

ANNUAL PRODUCE.			
ARTICLES.	1888.	1889.	1890.
	Hectolitres.	Hectolitres.	Hectolitres.
Wheat, ...	38,873,000	38,464,000	47,203,000
Maize, ...	25,606,000	28,918,000	28,148,000
Other cereals, ...	9,356,000	10,515,000	13,908,000
Rice, ...	5,155,000	8,428,000	7,940,000
	78,990,000	86,325,000	97,199,000
Oil, ...	3,024,000	1,559,000	
Wine, ...	32,846,000	21,757,000	36,760,000 ²

To give a comprehensive view of the total agricultural resources of Italy, the following table is cited:

TABLE SHOWING THE ITALIAN CROPS FOR THE YEAR 1889.

CROP.	Quantity produced. Bushels.	According to average crop. Per cent.
Wheat, ...	103,010,270.39	77.95
Corn, ...	73,142,687.05	86.89
Oats, ...	16,213,522.38	81.15
Barley, ...	7,647,320.21	70
Rye, ...	3,832,631.02	73.4
Rice, ...	19,642,317.35	95.61
Beans, etc., ...	4,559,777.71	80.54
Fave (chick-pea), ...	8,516,994.09	74.65
	Tons.	
Hemp, ...	78,140	91.59
Flax, ...	13,573.04	68.03
Potatoes, ...	564,117.05	64.01
Chestnuts, ...	264,562.09	67.84

¹ One hectolitre is equal to 2.84 bushels.

² No. 195 of the British Report on Foreign Countries,

CROP.	Quantity produced. Gallons.	According to average crop. Per cent.
Wine, ...	574,758,340.96	59.19
Olive oil, ...	35,347,372.52	39.47
	Tons.	
Hay, ...	7,562,461	
Grass, ...	7,615,900	
Green fodder, ...	9,808,795	
Tubers, ...	701,194	
	Pounds.	
Tobacco, ...	3,873,968.59	
Silk cocoons, ...	75,800,609.36	
	Number.	
Oranges, lemons and citrons, 2,787,910,700		73.82 ¹

There are about 5,000,000 acres under cultivation, most of which are or can be irrigated by public works. The Italian farmer, however, is not yet able successfully to compete in all his productions with the agriculturist of Russia, Hungary or even India. As 70 per cent of the people are engaged directly in agriculture and 10 per cent of the remainder are engaged in transportation, etc., it will be seen how dependent the country is on her crops and harvests. Including forest products, livestock and all gardening, the total value of Italian agriculture amounts to but little less than \$1,000,000,000 annually.

Coming now to manufactures it is found that Italy, considering the difficulties under which she has labored, has made great strides in the last few years under her system of protective tariffs. In textiles there has been a gradual and steady improvement, especially in the production of silk and cotton. Italy holds a foremost position in the production of silkworms and raw silk, being second only to China, while her silk manufactures are increasing yearly. Over 100,000 people, mostly women and children, are engaged in unwinding the cocoons, though the industry is subject to great changes. The imports of manufactured silk fell off 50 per cent from 1887 to 1890, which points to a large increase in home manufacture. The increased imports of raw cotton, amounting to 50 per cent from 1886 to 1890, are indications of the rapid progress that is being made in cotton manufactures. At least 2,000,000 spindles are now at work, an increase of 200 per cent since 1870. The woolen industry though improving rapidly has hardly kept pace with other textiles. Perhaps the greatest advance has been made in the manufactures of iron and steel. Italy is now making much of her machinery and implements, as well as becoming an adept in bridge building, locomotive and railway carriage making. The manufacture of paper has made much progress, and many grades are now being exported. Till within a few years many of the owners and nearly all the managers of mills were foreigners. Now year by year native labor and native capital is gradually replacing the foreign.

*Manufactures—
Textile
fabrics.*

¹ United States Consular Report, No. 140, p. 73.

Wages.

In 1860 there were not more than five mechanical works of any importance in Italy. The number now exceeds two hundred.

As regards wages, some idea may be gained from the following:

WAGES OF HANDS ATTACHED TO SOME INDUSTRIAL ESTABLISHMENTS, IN
ITALIAN LIRE.

DESCRIPTION.	1862.	1867.	1871.	1881.	1888.	1889.
	L. c. ¹	L. c.	L. c.	L. c.	L. c.	L. c.
Cantoni cotton mill, province of Milan—						
Spinners, males, ...	1.10	1.40	1.60	1.70	1.91	1.94
Weavers, males, ...	1.35	1.70	1.85		1.56	1.65
Rossi woolen mill, province of Vicenza—						
Spinners, males, ...	. . .	2.75	3.52	4.62	5.50	5.50
Weavers, males, ...	. . .	2.31	2.42	3.96	3.96	3.96
Sella woolen mill, province of Novara—						
Spinners, males, ...	2.86	3.19	3.45	3.77	4.00	4.35
Carders, males, ...	1.50	1.50	1.50	2.10	2.40	2.50
Keller silk mill, province of Cuneo—						
Spinners, females, ...	1.04	1.04	1.04	1.12	1.20	1.20
Throwsters, females, ...	0.83	0.92	0.98	1.08	1.30	1.30
Italian paper mill, province of Novara—						
Rag workers, ...	0.99	1.10	1.21	1.65	2.28	2.28
Paper makers, ...	1.10	1.21	1.32	1.76	2.56	2.56
Lanza candle factory, province of Turin—						
Hands, males, ...	2.16	1.80	1.80	3.00	3.00	3.25
Hands, females, ...	0.72	0.78	0.78	1.00	1.00	1.00
Sardinian miners—						
Sardinians, males, ...	1.80	2.50	2.50	3.00	2.40	2.40
From Continent, males, ...	2.25	3.00	3.50	4.50	3.80	3.80 ²

It will be seen that there has been a constant rise since 1860. The same general rise has taken place in all industries save, perhaps, in the sulphur mines, where wages have declined owing to the diminished value of sulphur.

Condition
of the
people.

Not only have wages increased but prices of all articles of consumption have decreased. In 1862 it took the pay of 195 hours' work to purchase 220 pounds of wheat. In 1889 it took but 95 hours' work. While food and clothing are much lower, rents are a little higher, as the Italian is, with his improved condition, requiring better accommodations. While the Italian laborer is, perhaps, not so persevering as his fellow workmen in other countries, yet he shows great versatility and not a little quickness of intelligence. As instruction through the schools and press becomes more widely diffused the result is apparent on all classes. The low rate of wages is, in great part, due to the small productiveness of the operatives. In Italy it takes 12 men to do the work done by 7 or 8 in the United States or England. Agricultural laborers receive still less than those employed in mechanical pursuits. Never more than 40 cents a day in summer and 30 cents in winter, while the average is nearer 20 cents a

¹ 1 L. = 19.3 cents; 100 c. = 1 lira.

² British Foreign Reports, No. 211.

day for the whole year round. The women earn from 10 to 12 cents a day, though many are working in the mills where they can earn twice that amount. The Italian laborer is, however, on the whole contented. He is frugal, easily satisfied, and slow to advance. It must be many years before the Italian can be on an equality with the inhabitants of most of the other countries of Europe. With a national debt of \$2,500,000,000, with an annual adverse balance of trade amounting to \$60,000,000 and an annual deficit in the treasury to the same amount, the progress must indeed be slow, and when crop failures for years in succession, earthquakes and epidemics come, discouragement is universal. It is, then, so much more to the credit of the Italian people and the Italian nation that there has been so much progress made since the United Kingdom was established in 1870. But for her protective tariff Italy would have remained where she was in 1870, without manufactures and without the ambition to reach out as she is now doing, without the impulse and desire not only to supply her own wants so far as possible, but to sell as much as she buys and rise from the position of a debtor to independence and industrial freedom. In short, as British Consul Colnaghi said in a recent report to his government: "Italians are making strenuous efforts to render themselves independent industrially as they have succeeded in doing from a political point of view."

As manufactures have grown the need of shipping has been met by government bounties amounting to half a million of dollars annually. The result is seen in the increase of Italian vessels and tonnage amounting to over 150 per cent since 1870. It may be asked how Italy pays the interest on her debt and settles for the adverse balance of trade as well as the annual deficit in her treasury. The people are, of course, burdened with taxes while foreign holdings increase from year to year. A large source of income, however, not seen in official reports, is the large amount left each year by tourists. This amount has been estimated as high as \$100,000,000, though this is probably excessive. It is, however, a most material help in settling the trade balances of the country.

With a period of good crops and freedom from disease and war, Italy will soon show a healthy financial condition, the inevitable effect of a reasonable period of protection.

HOLLAND AND BELGIUM.

In previous chapters the early development of industries in the Netherlands was referred to. In 1652 the Dutch had reached a commercial pre-eminence which aroused the jealousy of France and England. Relying almost wholly on foreign trade and commerce as the chief means of commercial prosperity, as her shipping interests were destroyed and the carrying trade of the world came to be divided with England,

The Netherlands.

Holland began to decline. A small power, unable to cope with her more powerful rivals, England and France, gradually, in the latter part of the seventeenth and during the eighteenth century, as her foreign trade passed from her, she ceased to be regarded as of great commercial importance. Having lost her possessions in the New World, she retained, even at the termination of the Napoleonic wars, her possessions in Asia, which have been a valuable source of wealth to her merchants. During the latter part of the eighteenth century the industries of Holland and Belgium suffered greatly from French and English competition. Although deriving some advantage from the Continental policy of Napoleon, yet after the battle of Waterloo these countries, like Germany and other parts of Europe, were inundated with British goods which inflicted a great loss on their manufacturers. The separation of the two countries into independent kingdoms in 1830 marked a beginning of industrial policies which, especially in Belgium, have restored the former industrial greatness of the people.

*Recent
economic
progress of
Belgium.*

The Foreign Office has recently issued a summary of the official statistics of the foreign trade of Belgium for the year 1889, compiled at the British Legation in Brussels. From this it appears that the imports and exports of this little country, of barely six millions of people, amounted for the year to £244,796,000, an increase of 4 per cent on those of 1888. When English free traders boast of the vastness of the foreign trade of this country as the special mark and test of national prosperity, they would do well to remember that, accepting this test, we should need, in order to bring ourselves up to the Belgium level, to double our imports and exports, and to create a foreign trade of £1,468,776,000, instead of our last year's "prosperous" and "improved" foreign trade of £748,777,226.¹

During the centuries that these countries have been subjected to all changes that accompany and follow foreign, civil and commercial warfare, they have retained the spirit of industry exemplified in the quotation given above. A brief review of the early commercial importance of the Netherlands has already been given in the chapter devoted to the Development of Trade and Industries in Western Europe. It is not within the province of this work to follow the vicissitudes of these countries for the centuries following.

"Till 1844," says Robert Ellis Thompson, in his *Elements of Political Economy*, "Belgium 'that cockpit of Europe' was a free trade country." She had prospered to some degree under the rule of Napoleon, and shared somewhat in the general rise of industries. But when peace returned she was flooded with the cheap wares of England and her manufactures were almost ruined. Finally an inquiry was ordered by the government and a report made in 1842 upon the state of industry and commerce. In 1844 Belgium adopted protection for the first time and Holland followed the next year. A reciprocity treaty was effected between the two countries in 1846. The result has been marvelous.

¹ Fair Trade Journal, Vol. VI., p. 297.

"If any one," says a Belgian free trader, "had left the country in 1835, after having visited our principal manufacturing centres, and were to come back to it now," in 1861, "he would be struck with the transformation that they have undergone, the advance they have achieved; he would find a numerous, intelligent and active population of working people, where a quarter of a century ago, he would have seen nothing but country houses scattered at wide intervals over extensive plains. As a consequence, production, except of articles of food, has outrun the needs of population, although it has increased in numbers and in wealth, and we are obliged to seek for foreign outlets."¹

Belgium has continued her protective policy to the present time, while Holland revised her tariff in 1862, to practically a revenue basis. Under protection Belgium has been able to maintain her industries against all competition and has reached such efficiency that she holds pre-eminence over England in the production of many articles. Many Belgian locomotives are run on English railroads. Her iron masters have taken contracts to supply iron goods and bridge material for the construction of bridges in Great Britain.

*Improved
condition
of working
classes.*

But the position and conditions of both Belgium and Holland are unique, and in a great measure different from those of any other country. The people are willing to work for almost nothing and live in the most frugal manner. From a report of Mr. Fane, British Secretary of Legation at Brussels, one can learn that "there are as many steam horses as there are families in the country," and as he adds, "imagine what they add to the productive power of the nation." He speaks of "the wail of suffering among the well-to-do people," and then says that "instead of a diminishment, a wonderful increase is going on in the wealth of Belgium and that this progressing increase of wealth is benefiting solely the working classes." In speaking of the "astounding productiveness of industry," and the purchasing power of the people, he says: "Wages themselves have risen absolutely and in a proportion quite remarkable," quoting authorities to the effect that while in 1840 they amounted to 500,000,000 francs, when the population was about 70 per cent of what it is now, at the present time they exceed 1,625,000,000 francs.

It may be safely assumed then that the industrial classes of both Belgium and Holland are advancing in productive capacity and purchasing power along with the other Continental countries; that in neither is there any hope of any increased market for American agricultural products or manufactured wares. To make this clear and conclusive we have only to glance at the resources of the two countries at the present time.

Belgium has a population of 6,000,000, occupying 11,373 square miles, while Holland, or the Netherlands as it is now called, has a population of 4,451,000, with an area of 12,680 square miles.

¹ Thompson's Elements of Political Economy, p. 320.

*Foreign
trade of
Belgium.*

In 1890 the foreign trade of Belgium was as follows:

Imports, ...	\$615,515,600
Exports, ...	568,983,300

Of this \$307,200,000 represents imports for consumption and \$274,000,000 the exports of Belgian produce and manufacture. The remainder is transit trade and shows what an immense depot for distribution Belgium has become. And yet the part contributed by the Belgians in proportion to the population is remarkable, as can be seen from the following compilation for the year 1892:

Number of mines, ...	1,631
Workmen, ...	29,012
Iron ore produced, tons, ...	209,943
Coal, ...	19,583,000
Pig iron, ...	753,268
Manufactured iron, ...	479,000
Steel ingots, ...	260,037
Steel rails, ...	208,261
Sugar manufacturing establishments, ...	122
Production of raw sugar, pounds, ...	64,000,000
Refineries, ...	36
Output of refineries, pounds, ...	2,000,000

The exports of leading products in 1892 is seen from the following:

Cereals and flour, ...	\$24,000,000
Yarns, wool, linen, etc., ...	22,600,000
Machinery, ...	19,000,000
Raw textiles, ...	17,500,000
Tissues, cotton, wool, etc., ...	13,300,000
Iron and steel, ...	15,500,000
Glass, ...	9,000,000

About one-fifth of the population are agriculturists. The total value of agricultural products in 1880 (the latest authoritative statistics) was \$282,000,000 and of animal produce \$48,000,000. Wheat, oats and rye form the principal staples, while to vegetables, sugar beet, flax and other productions more or less attention is given.

In Holland no official returns are made of the value of goods, only of the weight. In 1892 the returns were as follows:

	Kilograms. (2.2046 lbs.)
Imports, ...	6,451,000,000
Exports, ...	2,956,000,000

In 1892 the value of exports of home production amounted to about \$283,500,000, while the imports for consumption were valued at \$325,000,000. In 1892 the exports of food products amounted to \$120,000,000; raw materials, \$60,000,000, and manufactured products

*Foreign
trade of
Holland.*

\$80,000,000. The products of agriculture are much the same as in Belgium. The exports of the principal products in 1892, were as follows:

Wheat, ...	\$22,000,000	Barley, ...	\$3,200,000
Flour, ...	3,000,000	Oats, ...	1,700,000
Rye, ...	6,500,000	Flax, ...	7,500,000

Enough has been shown of the productive capacity of Belgium and Holland to dissipate all free trade notions that any increased market for American products will be found in either country. Even if the Belgians, and Hollanders were not so capable of supplying their own wants as they have proven themselves to be, the American farmer and artisan could hardly expect to compete in those markets with the workmen of England, Germany and Austria. But we find Belgium and Holland making and exporting the very things we should like to sell them. Moreover a still greater production, with additional employment of labor at increased prices, is resulting from the new tariff law that went into operation July 14, 1895. We find, however, that though wages have risen considerably in recent years, yet they are still only about one-fourth or one-fifth of American wages. The inevitable conclusion is then, as it has been in all European countries, that there is no further market than we now possess unless American wages descend to their level, and our workmen are willing to live on scanty food.

SWITZERLAND.

"Switzerland," says M. Lavollée, "is the country where poverty is the rarest and where wealth is most equally distributed among all classes of society." With a population of less than 3,000,000 and an area of 16,000 square miles, less than the States of Vermont and New Hampshire combined, Switzerland has a foreign trade amounting in 1891 to \$349,000,000, of which about two-fifths were exports. In 1892 some of her principal exports were as follows:

*Industrial
condition
of Switzer-
land.*

Silks, ...	\$41,000,000	Food stuffs, ...	\$16,000,000
Cottons, ...	26,000,000	Clocks and watches, . .	18,000,000
Woolens, ...	3,000,000	Machinery and carriages,	4,000,000

On January 1, 1893, Switzerland had 4606 factories divided as follows:

	Establishments.	Hands Employed.
Textiles, ...	1,943	89,901
Leather, ...	115	6,445
Food, ...	410	10,702
Chemical, ...	115	2,696
Wood, ...	7,234	5,048
Metals, ...	547	33,056
Paper and printing, ...	272	7,356
Building, ...	102	2,751

These industries are fully protected by customs duties. In fact the position that Switzerland holds to-day as one of the great producing and manufacturing centres, though having no more inhabitants than New York City and Brooklyn, is due to the excellent system of protective tariffs which this country has enjoyed since the Confederation of 1848, and especially since the general tariff revisions of 1884, 1887 and 1892. Commercial treaties are also in force with several countries.

The ingenuity of the people, the industry and thrift displayed by all classes, encouraged by protection to their labor, render the condition of the Swiss workman the most enviable in Europe. Relations between employer and employee, while not without some occasional friction, are, however, more satisfactory to both, than can be found elsewhere in Europe. Wages are not so high as in England, but they approach closely those of Germany and France. The cost of living is such, however, that though much of their food stuffs are imported, yet the savings of the laboring classes are enormous, being about \$50 per capita and far in excess of those in any other country of Europe. As an instance of the extent to which division of labor is carried it may be mentioned that watch-making is enumerated under fifty-three distinct branches, in each of which a workman attains to the highest degree of skill. The same is seen in the manufacture of music-boxes and other wares in which the Swiss have become famous.

Agriculture is carried on to a considerable extent, but a large proportion of food stuffs is imported. The chief industry is the manufacture of cheese and milk. The value of livestock exceeds \$100,000,000. Wheat, rye, oats and potatoes are the chief crops, and in some years as much as 25,000,000 gallons of wine is produced. When it is considered that we bought from Switzerland to the amount of \$16,010,728 in 1894, and only sold her \$7391 worth, or one two-thousandth part of what we bought, we must exclude this republic from the markets to be gained by American farmers and manufacturers. To be sure Switzerland is one of the great markets of the world, but the grain of Russia and Austria is too near, as are the wares of France and Germany, for us to compete, unless, as the free trader would have it, our wages are reduced to the level of those paid on the Continent.

DENMARK.

The tariff of Denmark is similar to that of Belgium. Germany has of late crowded out English wares to a large extent in the Danish market, although the imports have decreased in recent years owing to the increased home production. Every year the exports are larger, and with increasing rates of wages and general growth of industries little Denmark bids fair to become more and more independent of other countries.

*Denmark
not likely
to afford a
market for
American
goods.*

The leading agricultural crops in 1891 were as follows:

	Bushels.
Oats, ...	33,059,265
Barley, ...	22,571,447
Rye, ...	18,677,262
Wheat, ...	4,514,152
Potatoes, ...	13,913,122
Other roots, ...	85,453,952

Besides these Denmark produces vegetables, hay and clover. In 1888 there were in Denmark proper 4,000,000 horses, cattle, sheep, goats and swine. In 1892, 19,570 tons of beet sugar were produced and the output of brandy was 7,435,388 gallons.

Our chief exports to Denmark are corn, wheat, oil and lard, and yet she buys but a small part of her food and provisions from us and is likely to buy less rather than more. We cannot compete with Germany in supplying her with manufactured goods. Of her \$20,000,000 worth of manufactured goods imported we supply only about a quarter of a million. We buy only \$200,000 worth of her products. We shall, perhaps, continue to send her a little corn, wheat, oil and lard, though the quantity is more likely to decline than increase. At present our share of her imports is only about one-twentieth.

NORWAY AND SWEDEN.

The industrial situation of Sweden and Norway cannot be better stated than in the words of British Consul Hay, who calls attention in a recent report to:

Development of home trade in Norway and Sweden

1. The marked development of native industries, shielded by protective duties.
2. Competition of German, Belgian and even Dutch manufactures.
3. The development of direct communication by sea between Sweden and other countries, which is gradually diminishing the importation of transit goods from England.

The direct or home trade has shown wonderful development in recent years. For instance, the demand for locomotives and other railroad supplies formerly imported from Great Britain is now fully met by home manufacturers. The same is true of almost all machinery and agricultural implements. Some iron goods are still imported, but they have of late years been of Belgian and German make instead of coming from Great Britain. Sweden and Norway are now enjoying a thoroughly protective tariff, perhaps, on the whole, more protective than that of any other European country. The protection of years gave way to lower duties in both countries for several years preceding 1890, but duties were gradually increased till in 1892 was enacted what has been termed the "McKinley bill of Sweden."

The exports of Sweden in 1891 amounted to about \$75,000,000, of which more than two-fifths were timber and one-fifth was live animals and animal food. The imports in 1891 amounted to about \$85,000,000, consisting mostly of coal, textiles, raw materials for textiles and colonial wares. The exports of Norway in 1891 amounted to \$30,000,000, being mostly timber and animal food, while the imports of the same year amounted to about \$55,000,000, a large part of which was food stuffs.

The trade of both Norway and Sweden with the United States shows that we sold them in 1894 a little over \$4,000,000 worth of merchandise, a third of which was cotton and oils, while we bought of them \$3,000,000 worth, over one-third of which was manufactures of iron and steel and nearly one-fourth wood pulp. To Sweden and Norway then, least of all the countries of Europe, can we look for a market. In fact our exports are falling off under the operation of their revised tariff law of 1892. They are practicing our own methods of protecting and promoting home industries with great success. Where England cannot hold a market for manufactures, it is hardly likely we are going to gain one, and as for food stuffs Russia and Austria and France are too near for us to compete with their resources and low rates of wages.

SPAIN AND PORTUGAL.

*Spain and
Portugal.*

The early maritime discoveries of the Spanish and Portuguese gave them great wealth which, however, was squandered almost as quickly as it was gained. Large flocks of sheep were owned and even in the tenth century the Moors cultivated cotton, sugar and rice, and were producers of silk. Cordova, Seville and Grenada were famous for their fabrics and arms. Down to the time of Colbert France got her fine cloths from Spain. In 1681 such bounties and protection were granted that in 1684 Spain and Portugal were supplying all their own wants and prohibiting all foreign cloth. This condition, however, lasted but nineteen years, when England persuaded Portugal to admit her manufactures, in return for lower duties on Portuguese wines. The complete ruin of Portuguese manufactures followed, from which they have never recovered.

For some time preceding 1859, however, both Spain and Portugal levied high customs duties on most importations. Both countries reduced their duties somewhat between 1859 and 1879, but since 1882 the tendency has been to protect all their industries. It may be said that neither Spain nor Portugal has any free list. Every article of commercial value is subject to duty. The tariffs under which both countries are operating are of recent revision. Commercial treaties exist with other countries, but to a mutual and not a one-sided advantage. The one great industry of Spain at present is wine-making. Of her total exports nearly one-fourth is wine. Over 5,000,000 acres are under vines, and in 1890 the production of wine was 638,000,000 gallons. In addition large quantities

of olives, oranges, raisins and nuts are raised and exported. Wheat, barley, rye, corn, flax, hemp and pulse are the leading crops. The annual value of minerals amounts to about \$35,000,000, and next to wines form the most important export. Comparatively few manufactures are exported, but Spain is steadily increasing her productive ability and capacity and is well-nigh equipped to supply her own wants in all necessary wares. Of the imports raw cotton is double in value that of any other single commodity, machinery being second in importance.

Our exports to Spain in 1894 amounted to \$13,114,000 of which \$9,000,000 was raw cotton and \$1,634,000 was tobacco, leaving less than \$2,500,000 for all else, while we bought from her \$4,250,000 worth of merchandise. To Portugal we sent \$5,200,000 of exports in 1894, of which \$4,100,000 was wheat. From her we bought \$2,000,000 worth, of which \$1,600,000 was cork and rubber. With the exception of our cotton and tobacco, then, it is seen how insignificant is our trade with Spain and Portugal. Even the \$4,000,000 worth of wheat sent to Portugal is \$1,000,000 more than the average, and is not likely to increase when we consider the inroads the wheat of Russia and the Argentine Republic is making into European markets. We must add these two countries then to those already described as unlikely to furnish any increase of markets for American grain or manufactures, always reserving the point that we can, at any time, have a chance if our workmen are willing to work for the wages and adopt the manner of living found in other parts of the world.

OTHER COUNTRIES.

In the treatment of Eastern countries space will not permit a discussion of their commercial history, and we must confine ourselves to a consideration of the question how far and under what conditions these countries are likely to afford us a market for our goods. With Turkey, Greece, Servia and Roumania our trade is too insignificant to be taken into account. As to Asiatic countries generally the following table shows the condition of our trade:

MERCHANDISE TRADE WITH ASIATIC COUNTRIES IN 1894.

	Imports from	Exports to
China, ...	\$17,135,028	\$5,862,426
British India and East Indies, . . .	14,829,661	4,329,103
Dutch East Indies, ...	11,278,725	1,722,876
French East Indies, ...	nothing.	193,049
Hong Kong, ...	892,511	4,209,847
Japan, ...	19,426,522	3,986,815
Russia in Asia, ...	355,476	163,855
Turkey in Asia, ...	2,204,973	107,162
All others, ...	63,501	297,628
Total, ...	\$66,787,497	\$21,872,761 ¹

¹ Compiled from Commerce and Navigation of the United States.

*Trade of
United
States with
Spain and
Portugal
unim-
portant.*

Asia.

We buy from them three times as much as we sell them. Of the total exports shown above over \$12,000,000 represents oils, and only about \$2,000,000 bread stuffs.

*Africa,
Australia,
etc.*

Africa can be treated in the same way as Asia, and our trade in 1894 is shown as follows :

	Imports from	Exports to
Portuguese Africa, ...	\$4,680	\$85,541
British Africa, ...	464,087	3,972,982
French Africa, ...	99,099	215,947
Canary Islands, ...	23,123	203,133
Liberia, ...	12,800	32,631
Madagascar, ...	210,729	42,920
Egypt and Tripoli, ...	2,208,029	181,252
All others, ...	456,799	178,313
Total, ...	\$3,479,336	\$4,912,719

To these countries we sell a million and a half more than we buy from them, but that amount is represented by spirits, rum, oils and tobacco.

Our imports and our exports to the different parts of Oceanica, in 1894, were as follows:

	Imports from	Exports to
British Australasia, ...	\$4,017,025	\$8,055,032
French Oceanica, ...	367,239	316,791
Hawaiian Islands, ...	10,065,317	3,217,713
Philippine Islands, ...	7,008,342	145,466
Total, ...	\$21,457,923	\$11,735,002

As will be seen our principal sales are to the British colonies in Australia. These, however, are declining, having been over \$13,000,000 in 1891. For years Victoria has had a protective tariff and has largely prospered under such duties, and now New South Wales has also adopted protection. Our sales to both these countries are not likely to increase. The progress made by Victoria under protection has been similar to our own. Wages, in some instances, are as high and the savings and wealth of the people are even higher per capita than ours.

CANADA AND OTHER AMERICAN COUNTRIES.

J. Beaufort Hurlburt in the chapter devoted to Canada, in his "Protection and Free Trade," said :

The chief home of manufactures and commerce on this continent will, we believe, in time be in Canada. The physical features of the country, the innumerable streams and waterfalls, the rich mineral resources, the invigorating climate, point to Canada in the new as to the Northern half of Europe in the old world as the centre of the chief industries, of commerce, of wealth and power.

While the above may provoke a smile in the United States, yet the over-sanguineness of Mr. Hurlburt is pardonable. History shows that countries are settled and that industrial progress is from south to north.

There is no doubt of the ability of our Canadian neighbor, of his healthy condition, of his vigor and endurance, and of his fitness to compete with the rest of mankind. He is an American, and whether Canada is one day annexed to the United States, or, as Hurlburt would have it, the United States is joined to Canada, the day will no doubt come when the people of Canada and the States will be members of the same political and industrial homestead.

The first duties on imported goods imposed by Canada were in 1849, when a duty of $12\frac{1}{2}$ per cent was levied on most goods, but only $2\frac{1}{2}$ per cent on bar and heavy iron. It was purely a revenue duty. In 1856 the duty was raised to 15 per cent on general merchandise, and manufactures of leather and India rubber were made subject to a duty of 20 per cent. It was not till 1858 that a tariff law was enacted in the interest of protection. In that year a duty of 20 per cent on general merchandise was levied, and 25 per cent on manufactures of leather, boots and shoes, harness, saddlery and certain wearing apparel. In the following year duties were raised on many goods which were classified under customs rates of 100, 40, 35, 30, 25, 15 and 10 per cent. In 1866-67 the duties of 1858-59 were lowered, and in 1874 the tariff consisted almost wholly of duties for revenue only. The act of March, 1879, was really the first Canadian tariff that gave thorough protection to home industries. The beneficial results were not only immediate but most significant. The Finance Minister in his Budget speech of the twenty-fourth of February, 1882, three years after the adoption of protection, called attention to the fact that while there had been a deficit during the five years preceding the act of 1879, of \$5,491,259, in the two years following the act there was collected \$2,900,000 more than was necessary for expenditures. He said :

Duties on imports.

That was the surplus for the two years and having been used in the reduction of the debt, diminished our taxation for all time to come. . . . When I was asked by an honorable member opposite in 1879, what demand the government expected to create for Nova Scotia coal by the operation of the tariff, I stated that probably within a short time the consumption of Nova Scotia coal in the Dominion of Canada would increase to the extent of 4,000,000 tons. I did not suppose, Mr. Speaker, sanguine as I was with reference to the effect of this tariff, that in three years, by the increased demand for steam power, it would make a demand which would require over 4,000,000 to meet it; but we find that these industries have been growing up all over the country to such an extent that it has required more than 4,000,000 tons more from the Nova Scotia mines, and has also caused a largely increased amount to be imported from the United States as well.

He then described the increase of manufacturing for the three years, showing that in the cotton, leather and woollen manufactures alone, the increase had amounted to \$5,500,000; that there was an increase of 17 per cent in the number of employees, and that while in 135 factories out of 430 visited, wages remained the same, yet instead of working on short time the laborers were now working full time, while in 277 factories wages

*Increase of wages—
Decrease of prices.*

had been increased from 5 to 35 per cent. "The rate of wages," said he, "has been generally increased throughout the Dominion."

Referring to the question of prices he showed conclusively that cotton and woollens had not advanced in price but, on the contrary, had in numerous cases fallen in price since 1878. Canadian free traders, like those of the United States in 1892, tried to circulate the idea of so-called "McKinley prices." They told the farmer that out of the nine or twelve yards of dress goods bought for his wife, three or four yards would have to be sent to Ottawa. But the farmer's wife on opening the package found the whole number of yards bought, and at a lower price than had been paid for the same goods under free trade. In hats and caps the same result was proven, a larger production, increased employment and lower prices to the consumer. "But," said the Canadian, "if wages are higher how can prices be lower?" To this the minister replied by quoting a manufacturer whom he had asked the same question:

The fact is we used to have to spend a large sum in employing runners to go through the country to make sales, but now we have doubled our production, have orders ahead, our expenses of management have not increased, we can sell at smaller profits than we could before, and yet, in consequence of the increased production, we have larger profits at the end of the year.

The Minister of Finance then showed the decreased price of various other articles. Plows were selling at 15 per cent less than in 1878. All agricultural implements from 5 to 20 per cent less, and the business had increased four-fold in the three years. Sewing machines were reduced in price by ten dollars, and the business trebled. Boots and shoes were cheaper, and the price of factory labor higher. Nails were lower, and so were countless other articles of necessity and daily use. In the few cases where prices remained the same or had advanced a trifle, the compensation of higher wages was more than equivalent. Especially was the condition of the farmer improved. Everything he had to buy, whether of clothing or implements, was lower, while his market was increased in some instances faster than he could supply it.

*General
prosperity.*

It was shown that there were at least 100,000 more employed people to be fed in 1882 than in 1879. The people had plenty of money to buy the farmers' produce and they got their own prices instead of standing around the markets all day as they did in 1879, sometimes taking back home the vegetables they could get no price at all for. Ten million bushels more of Canadian grain were consumed in Canada in the first two years of protection than in the last two years of free trade. But the benefits of protection in Canada at the outset of the new national policy as it was called were not confined to individuals. In 1878 the securities of New South Wales were the highest colonial securities in the English market and were 4 or 5 per cent above Canadian. Two years after protection had been

adopted Canadian 4 per cents had increased from 89 to 104, and were 1 per cent above those of New South Wales. In another year they had increased to 2 per cent above New South Wales and stood higher than any other colonial security offered in the English market. Bank stock was worth \$20,000,000 more in 1882 than in 1879. The laborer was getting higher wages, the manufacturer was making more profits, the farmer had a demand at good prices for all his produce, the merchant had doubled his business and the government credit and finances were in a most satisfactory condition.

Said the Minister of Finance in concluding the speech already quoted from:

Adding the manufactures from the various factories that are sending their products all over the Dominion, it will be found that the railway proprietors have a large interest in this new policy. Every interest in the country has been, in my judgment, largely and materially benefited. This policy, supplemented by our legislation securing the rapid construction of the Canadian Pacific Railway, has combined to place us in the enviable position we now occupy—the best position of any people on the face of the earth.

To-day the Dominion of Canada comprises an area of nearly three and a half million of square miles, almost equal to that of the United States, with a population of about 5,000,000.

Agriculture is the chief industry, the crops for 1890 being as follows :

CROPS.	Bushels.	CROPS.	Bushels.
Wheat, ...	44,144,779	Rye, ...	1,328,262
Barley, ...	17,152,438	Peas and beans, . .	15,514,841
Oats, ...	82,514,513	Hay, tons, ...	7,604,096
Potatoes, ...	52,407,677		

Home production and foreign trade.

Taking the livestock as regards ratio to population, Canada compares favorably with the United States. The fisheries of British North America are, perhaps, the most important and extensive in the world, reaching a value of nearly \$25,000,000 annually. The wealth per capita is almost equal to that of the United States.

Protection is extended to agriculture as well as to manufactures, and in 1894 the foreign trade of Canada was as follows:

Exports, ...	\$117,524,949
Imports, ...	123,474,940

Commerce with the United States is second only to that with the United Kingdom, and for several years preceding 1892, trade with us exceeded that with the United Kingdom.

Since 1890 our imports have fallen off one-third, while our exports have advanced about one-third. In 1894 we sold the Canadians \$44,636,914 worth of domestic merchandise and bought from them \$22,922,030 worth.

We sold them \$9,000,000 worth of coal; \$4,280,000 worth of corn; \$1,000,000 worth of tobacco; \$4,000,000 worth of wheat and wheat flour, and \$4,000,000 worth of cotton and cotton goods. We bought \$1,400,000 worth of bread stuffs and \$6,000,000 worth of lumber.

Canada has prospered so well under her protective tariff that she is not likely to become a much greater market for our products. We shall, no doubt, continue to exchange millions of dollars worth of goods with her annually, but as her own resources and capabilities increase she will become more and more independent and able to supply her own wants. As regards the rest of America to the north, our trade is as follows:

*Trade of
the United
States with
other
American
countries.*

	Imports from	Exports to
Nova Scotia, New Brunswick, etc., ...	\$4,474,653	\$3,756,605
British Columbia, ...	3,394,233	1,647,351
Newfoundland and Labrador, ...	535,815	1,641,019

Going now to the south of us in both North and South America, we find our trade, in 1894, was as follows:

	Imports from	Exports to
Bermuda, ...	\$444,595	\$928,876
British Honduras, ...	112,959	316,117
Costa Rica, ...	2,287,384	961,216
Guatemala, ...	2,225,586	1,610,509
Honduras, ...	765,138	537,463
Nicaragua, ...	1,564,472	814,012
Salvador, ...	2,926,469	1,059,292
Miguelan Islands, Langley and St. Pierre Islands, ...	117,255	149,902
British West Indies, ...	13,017,178	8,387,220
Danish West Indies, ...	511,970	579,977
Dutch West Indies, ...	62,687	595,596
French West Indies, ...	18,336	1,822,808
Hayti, ...	840,046	5,342,630
Santo Domingo, ...	3,200,852	1,715,782
Mexico, ...	28,727,006	12,441,805
Cuba, ...	75,678,261	19,855,237
Puerto Rico, ...	3,135,634	2,705,646
Argentine Republic, ...	3,497,030	4,593,418
Bolivia, ...	nothing.	10,071
Brazil, ...	79,360,159	13,827,914
Chili, ...	3,536,197	2,262,011
Colombia, ...	2,234,787	2,702,106
Ecuador, ...	816,484	759,474
British Guiana, ...	4,223,970	2,360,938
Dutch Guiana, ...	1,078,541	381,641
French Guiana, ...	23,400	98,837
Paraguay, ...	1,001	none.
Peru, ...	491,384	586,761
Uruguay, ...	1,419,573	971,547
Venezuela, ...	3,464,481	4,089,732
Total, ...	\$229,837,735	\$93,478,538

Here we find countries from which we buy considerably more than twice as much as we sell to them. Here is the great market for our surplus food stuffs and manufactures. Instead of hunting the world over, instead of going to Africa, Asia and the islands of the sea, we enjoy the advantage of having near at hand a vast territory which needs our productions. Mr. Harrison and his Cabinet saw this great advantage and, with the co-operation of the Fifty-second Congress, brought about such legislation as bade fair to secure these markets with no sacrifice to our own interests. England has for centuries gained markets by force. We gained these markets by diplomacy only to have them taken away by the free traders of the following Congress. The value of these markets and the subject of reciprocity will be treated hereafter.

CONCLUSIONS.

The brief treatment of the tariff history, industrial development, resources and economic conditions of the countries mentioned in this part of our work scarcely makes a summary necessary. Yet the experience of these nations during the past fifty years has developed so many facts which prove the wisdom of the policy of protection that they deserve more than a passing notice. The growth of manufacturing in France, Prussia, Germany, Austria, and, in fact, in all of these nations, had its beginning with the adoption of protective regulations. The inauguration of this policy in every instance brought stability and confidence to their business interests. Its effect as a stimulating agency in encouraging and inducing the people to become artisans and manufacturers cannot be overestimated. That the industrial activity of these nations is associated with the adoption of protection is a fact in the commercial history of the world which should not be lost sight of in determining the importance to be attached to the policy of protection as the best means of promoting the industrial welfare of a nation. The advocates of free trade can no longer say that the progress made by these nations was in spite of protection or that the same or better results would have followed the policy of free competition or free trade. They have all tried free trade or a low tariff. The business depressions and injuries inflicted on the industries of Germany upon the return to free trade during the thirteen years between 1865 and 1879 have been pointed out. That this was a most disastrous period there is not the slightest question. A similar result followed a departure from protection by Russia and every other country which has attempted to depart from the policy of developing and fostering its domestic resources. Even the slight reduction of duties in France placed a check on many industries. The sudden and rapid expansion of industries immediately following an increase in protective tariffs in Spain, Portugal, Germany, Austria, Russia, France, Sweden, Switzerland, and, in fact, in all countries during the past twenty-five years, affords the most striking

*Results of
protective
tariffs.*

example of the universal benefits to be derived from protection. European countries have tried free trade, repudiated it, and returned to protection. Under protection they have all enjoyed and are enjoying a degree of prosperity which was proven to be impossible of attainment under free trade. It is the pronounced sentiment of all countries (England excepted), that it is better for a people to provide for their own wants by the development of domestic resources, than to purchase from other nations things which might be made at home. This has been proven to be the most wise and beneficent policy and the surest and most profitable means of advancing the material welfare of the nations of the world.

*Partial
free trade
secured
through
commercial
treaties.*

It has been pointed out that the ultimate purpose of Mr. Cobden and his associates, in abandoning protection in England and adopting the policy of free trade, was to induce other nations to remove their tariff barriers and open their markets to the admission of British goods. Immediately after the legislation of 1846, the work of converting other nations was vigorously entered upon by the English people. Mr. Cobden visited the Continent and devoted the remaining years of his life to the task. Free trade parties were organized in every part of the world, supplied with literature, arguments, and ideas from England. The whole world was thrown at once into a discussion of economic questions. The campaign was carried on in Europe for a number of years without any material progress being made. Germany, France, Belgium, Switzerland were fast adopting the use of machinery, building factories, educating artisans, and building up rival industrial centres, which made protection not only more necessary to their welfare and progress, but more difficult to overthrow. The sentiment in favor of protection in Europe was found to be much stronger than Mr. Cobden had expected. A most ingenious device was hit upon by which protection could be overthrown and free trade established, without consulting the people, and in fact in open violation of public sentiment, simply by getting control of the treaty-making power. Protection was then assailed in Europe, not by open discussion and debate, but by intrigue and diplomacy. A system of commercial treaties was carried into effect which practically broke down the tariff barriers of the Continent. Great Britain by adopting free trade had nothing to offer a nation in order to induce a reciprocity treaty, consequently the scheme must be worked through emissaries in foreign countries. We are informed by Yeats that,

Free trade principles did not make such rapid way as did the previous schemes of protection. The new system asserted itself by economic arguments, which, though logically irresistible, did not appeal so much to the feelings, and therefore to the convictions, of the people at large, as did measures for the immediate relief of poverty, such as those of legislative protection of industry.

The following list of commercial treaties entered into between various nations will serve to show how successfully Cobden's scheme was carried out:

1853, Austria with Prussia, for twelve years.	1862, Turkey with Sweden.
1854, England " Japan.	1865, Zollverein " Belgium.
1855, England " Switzerland.	1865, Zollverein " England.
1858, Russia " Japan.	1865, Zollverein " Switzerland.
1858, England " China.	1865, Zollverein " Holland.
1859, England " Russia.	1865, Holland " France.
1860, " China.	1866, France " Austria.
1860, England " France, now to terminate.	1866, Zollverein " Austria.
1862, Prussia " France.	1867, Austria " Italy.

*The "most
favored
nation
clause."*

The failure of other nations to change their policies convinced him and his associates that the most effective means of paving the way for universal free trade was through treaty stipulations. A clause was inserted in the commercial treaties known as "the most favored nation clause," by which it was agreed, for instance, in the treaty between Prussia and England, that British goods should be admitted upon the same terms or rates of duty as those of other nations. Under a treaty stipulation of this character, which had become common to commercial treaties between all nations, when a new treaty was effected between nations which stood in this relation to other countries, under which import duties were reduced and more liberal trade relations established, Great Britain enjoyed the same advantages as those extended to the contracting parties. Under such an arrangement the existing commercial treaty with Great Britain would at once, by virtue of its terms, attach to the lower rate of duty thus established. By this means a control of the treaty-making powers of the various nations, by Great Britain, would secure a great advantage in the advancement of free trade. Mr. Cobden had no sooner hit upon this plan than all free traders throughout the world were co-operating with him to undermine the protective policies of nations through this system of diplomacy. The whole scheme is exposed by Julius Faucher, in an article on "A New Commercial Treaty,"¹ in which he boasts of the sharp practice resorted to by free traders in overthrowing protection in Europe. The first victim of Mr. Cobden's sagacity was the Emperor of France. Louis Napoleon became a free trader during his sojourn in England, before ascending the French throne. Through the aid of Michel Chevalier, the reciprocity treaty heretofore spoken of was secured, under which British goods were to be admitted into France under duties ranging from 20 to 30 per cent, a material reduction over former rates; and French silks and many other articles were to be admitted into England free of duty, under the act of parliament which removed all protective tariffs, while at the same time duties were reduced on the import of French wines and liquors. The prospect of capturing the French

¹ Cobden Club Essays, 1871-72, p. 265.

market was held out as an inducement to the manufacturers of Germany and other countries, as an advantage which they were all to share in under similar treaties. France was selected by Mr. Cobden as the country which was to take the lead and set the example before Europe in the free trade movement. Julius Faucher says:

In his idea she was the ram that was to jump over the free trade stick to make the whole Continental herd follow. He could not get it out of his head, because fashions spread from Paris that opinions on legislative questions do so too. What was really gained for the free traders lying in ambush all around the French frontier, was the alliance of the manufacturers in their respective countries, desirous of sharing with the English manufacturers the advantage of the French market, as far as it had become open.

*Free trade
diplomacy.*

The German free traders, however, were ambitious to establish universal free trade and follow the example of England instead of France. It appears that when Mr. Cobden visited Germany he did not have in mind this policy of reciprocity treaties, for Mr. Faucher, speaking of a conversation with Mr. Cobden at this time, and one had ten years later in London, said:

I had not quite so sanguine expectations, but thought at that time as little of the auxiliary usefulness of commercial treaties as he did. The very name of them was odious to me. Ten years later, conversing at London, we found that we had both alike altered our opinion. There lay the whole Continent motionless, and America too. All round the horizon no encouraging symptom, except the evident desire of the Emperor Napoleon to render his people happy against its own will, and beyond its own comprehension.

A resort to intrigue and diplomacy after the confidence of the people in protection had remained unshaken, through open discussion, was most discreditable. The great free trade movement which had been forced into public notice with so much noise, conjecture, prophecy and extravagant claims, had made no apparent impression on the Continent, except among theorists. The policy of gaining a point here and another there, and by slow degrees binding a nation to more favorable commercial terms, was seized upon as a last resort of a desperate cause, as expressed by the eminent disciple of Cobden quoted from above.

Thus the novel form of commercial treaties was artfully brought about in two steps; the first owing to Mr. Cobden and Michel Chevalier, the second owing chiefly to the German and Belgian free traders. No particular conspiracy had been necessary. Every one of the wide-spread voluntary forces knew at once himself what he had to do, and every one knew what the other would do. No doubt Europe, to a certain extent, has been taken by surprise. It looked as if commercial treaties were made as of old; what, however, was made, was *free trade*, nothing but free trade, as much free trade as could be secured on the occasion, here a bit, there a bit—if summed up, a good deal altogether—and yet by far not enough.

That this was a deep laid scheme, a conspiracy on the part of Mr. Cobden and his aiders and abettors against the industrial life of other

nations, carried through by deception and fraud on the people under the guise of commercial treaties, is fully admitted by Julius Faucher, in the following passage :

The policy of deception.

It is no longer necessary to keep up even the semblance of such commercial treaties as in olden times had the character and purport of mutually admitting the subjects of the two contracting States as sellers to their respective markets. That was a mere dodge, good for the beginning, and which only the French traders, whose position in their country was and is still the weakest, were compelled to adopt. Treaties may now *at once* be clothed in that form which, as was privately understood, the original Anglo-French treaty, was destined *finally* to receive on *both* sides; namely, that of contemporaneous reduction or abolition of protective positions in the tariff of the two contracting parties without reference to the difference in the national origin of the article. Experience has shown that the *political* advantage—for it is exclusively political—of the alliance of such producers as feel themselves strong enough for competing in the foreign market may thus be secured for free trade reforms just as much as if exclusive advantages were offered to them. That both contracting parties became *tied*, for a given time, to the respective tariff reforms on which they have agreed, is an advantage into the bargain. It helps over the danger of a reflux of public opinion arising from the trials of the first years.¹

Mr. Faucher further said, in justification of what he concededly believed to be the advancement of the cause of free trade by underhand and secret means, that “to anticipate the complete victory of reason by using strategy is fully justified in this case morally as well as practically.” The principle that the end justified the means and that deception and fraud may be employed, to advance the cause of free trade, has undoubtedly eased the conscience of free traders in the infamous practices resorted to by the Anti-Corn Law League in getting the best of the farmers of England as well as in the circulation of falsehoods throughout the United States; in playing all manner of tricks with statistics; misrepresenting the facts of history; in playing the *rôle* of demagogues and cheats wherever votes could be secured, custom house officers evaded and the cause of free trade advanced. This distinguished free trader, in speaking of the victories gained in Germany, said:

But it has been the result of political strategy being *not* disdainfully scorned in the great international cause of free trade. . . . For us German free traders the danger of an impending rupture was but one reason more to prefer a treaty of commerce with Austria, if that was possible, to all others, and early did I communicate to Mr. Cobden that such a treaty was our next step; but that I was afraid of its being extremely difficult to bring about.

Reaction against free trade.

But the intrigue and deception of Mr. Cobden and his associates have been exposed and rebuked, and the policy which they sought to rivet upon the people of Europe has been repudiated. Although a short period of free trade and a few short years of flooding Continental markets with British goods was the result of their effort, yet the actual experience with free trade

¹ Cobden Club Essays, 1871-2, pp. 278 and 279.

principles, which was afforded to the people of Europe, has done more to open their eyes and to expose the errors of Cobdenism than all the books that could have been written. Unemployed labor, idle machinery, business depressions, bankruptcy and starvation, brought about by an application of free trade principles to industrial countries and communities, which had enjoyed prosperity under protection, teach lessons which no amount of sophistry can counteract. European countries were induced to abandon protection because they had not tried free trade. They returned to protection because they had tried both policies. One of the most discouraging features of the question which to-day is presented to the dogmatic free trader, is the fact that free trade has been abandoned by European countries, after a short trial, which proved most disastrous to their interests, and that they are now more devoted to protection than ever before. The Australian colonies, Canada, India and all of England's possessions have refused to abide by the teachings of the home government. In South America, China and Japan, on every continent, among all civilized and industrial people, the selfish purposes of Great Britain are fully understood. She is no longer able to deceive the people of any country. The principles of protection are everywhere in the ascendancy, more cherished than ever before, more potent for good than at any time in the history of the world. They have been vindicated by an actual trial, and will remain as a shield for struggling humanity until the strong cease to oppress or destroy the weak, and until competition ceases to be waged with a spirit of enmity.

Contrast between the industries of England and those of the Continent.

It is most important that the investigation pursued by the Royal Commission on Depression of Trade and Industry disclosed the fact that while there was a downward tendency of wages in free trade England, between 1876 and 1885, in protectionist countries during the same years the rate of wages had advanced. While the army of unemployed has constantly been increased and less work has been afforded to British laborers under their system of free imports, the very reverse has been the result in protected Europe. Factories have been built instead of destroyed. Increased employment has been given to labor in all parts of the Continent through the system of protection. The encouragement given to the cultivation of the soil and reclaiming of waste land, adopting improved methods and increasing the home supply of food, have not only greatly aided the rural population, but prevented that overcrowding of the large cities which has occurred in England. The wisdom of securing the widest possible diversity of industries and occupations in a densely populated country is fully demonstrated by the improvement of the masses which has taken place on the Continent during the past thirty years.

Again, the high degree of perfection in manufacturing which is being attained is one of the chief proofs of the wisdom of protection. The aid extended by governments in the establishment of schools for industrial instruction is bearing fruit in the high degree of artistic skill and taste

which is being reached. In chemistry, in the dyeing, printing and weaving of textile fabrics, the skill displayed in France, Switzerland and Germany far excels that possessed by the workmen of any other countries. In the working of metals, the making of delicate and intricate machinery, beautiful and artistic wares of all sorts, the pre-eminence of Europe is unquestioned. This high degree of skill has been reached under the shield of protection. Artisans have been enabled to study designs, make experiments and develop a genius and faculty which never could have been brought out under the blighting influence of vigorous competition. While the artisans of the Continent have had room to develop these higher faculties, the British manufacturers, in their race for "cheapness," in their efforts to undersell everybody else, have necessarily drifted into the channel of making cheap goods and at last rivals have arisen in nearly every country to take from them their markets by imitating their cheap wares.

*Great
productive
power of
Conti-
nental
Europe.*

One of the chief advantages of protection in Europe from a practical commercial point of view is the competitive strength which it gives to their manufacturers. With their own home markets secured they are all now engaged in making a surplus for export, which is not only being placed on the English markets, but distributed throughout the world everywhere in competition with British wares. The excessive production which is taking place in Europe through the use of machinery, modern appliances, abundance of capital and by the most highly skilled and efficient artisans in the world, is an important fact to be taken into consideration by the people of the United States in measuring their chances of gaining a foothold in the markets of the world. Over 300,000,000 people in Europe are not only preserving and maintaining their home markets, but are glutting every market on the face of the globe with every conceivable commodity made by the handicraft of man. Every port in the world, every warehouse is filled with articles from their factories offered for sale at prices which furnish small reward for capital, and but a scanty return for labor. These are the conditions under which the United States is asked to contest for foreign markets. Never in the history of the world has it been so difficult for the United States to maintain its wage rate and the comfort and opulence of its people under free competition as to-day. The very fact that Continental countries are undermining the industrial life of Great Britain and that her industrial centres are filled with alarm and her manufacturers and artisans crying out with distress, makes the proof doubly strong that if the United States should let down or remove her protective barriers every industry would be closed, every wheel silenced and every laborer thrown out of employment. There is scarcely an article made in the United States but that can be made cheaper in some other part of the world. So long as this situation remains, the only hope of our industrial prosperity lies in the perpetuation of the policy of protection.

PART VI.

THE TARIFF QUESTION IN THE UNITED STATES.

CHAPTER I.

EARLY TARIFF HISTORY TO 1833.

The greatest want of civilized society is the market for the exchange and sale of its surplus produce. This market may exist at home or abroad, but it must exist somewhere if society prospers. The home market is first in order and paramount in importance. The object of the bill under consideration is to create this home market, and to lay the foundation of a *genuine American policy*.—*Speech of Henry Clay in the House of Representatives, March 30 and 31, 1824.*

The American system of protection has been referred to by writers and speakers for about seventy-five years. It really dates from the tariff of 1824. It is now proposed to show in what way the American system has differed from the system of any other country, what led to the adoption of the system, and what has been the result. The keynote is sounded in one sentence of the above quotation, viz., that a market must exist if society is to prosper, and that the *home market* is first in order and paramount in importance.

England's
policy
toward the
colonies.

To recite the early history of our country would be to repeat over and over again the iniquitous methods of Great Britain in keeping us in subjection and preventing us from developing manufactures. England ever kept one idea uppermost, to strangle in its infancy any attempt on the part of the American colonists to manufacture anything for themselves. All through the early part of the eighteenth century laws were continually passed by parliament to this end; prohibitions of all natures were frequent. Lord Chatham's declaration that he would not permit the colonists to make even a hobnail or a horse-shoe for themselves, has been repeated by writers and speakers for generations, and in that sentence is found the whole policy of England toward the colonies as long as she was able in any way to control them. To keep the American colonists an agricultural people solely that they might be dependent upon her for her manufactured articles at her own price; seems to have been the prime object of every act of legislation tending in any way to affect the colonies, and for years England was successful in carrying out this policy.

By the Navigation Act Great Britain had decreed that no goods or commodities whatever, of the growth, or manufacture of Europe, Africa or America, should be imported into England or Ireland or into any of the plantations (that is, American colonies), except in ships belonging to English subjects of which the master and greater number of the crew should also be English; consequently the prices of all articles imported as well as those exported, were controlled entirely by the English. They demanded and got their own prices for what we bought of them and they offered their own prices for what we sold them and we had to accept whatever they offered.

The efforts on the part of the British parliament to prevent the establishment of rival industries in the colonies, has been referred to in the treatment of the commercial policy of Great Britain. The effort to compel the colonists to confine themselves to agricultural pursuits did not contemplate that they should furnish the mother country with farm products, because at that time a rigid system of protection to agriculture was being pursued and was continued up to 1846. The expression of parliament that the establishment of manufactories in the New World tended to make them less dependent on the mother country, should be viewed in its commercial rather than its political bearing. These expressions occurred before there was any indication of an intention on the part of the colonists to set up an independent government. To maintain the market for British wares was the end that the mother country had in view. The care with which the colonists were watched and the interests of British manufacturers guarded is disclosed by the constant reports of the king's representatives in the colonies upon the subject, and the investigations which were successively made to see that all efforts at iron smelting, and textile manufacturing were immediately suppressed. But, however powerful the British Government might have been it could not control the domestic pursuits of the people. The raising of flax, the keeping of sheep, the weaving of linen and woolen, and the making of rude implements in the households and on the farms, could not be suppressed. In the efforts to supply their own wants every farmer became a mechanic or a jack-at-all-trades; this gave birth to that Yankee ingenuity which fitted the people of the colonies to become great inventors, artisans and mechanics as soon as an opportunity was given them to establish fiscal regulations and direct their energies to industrial pursuits. The efforts on the part of the mother country to restrict the enterprises and curb the energies of her aspiring and ambitious sons played no small part in arousing that spirit of patriotism and sense of justice which ultimately found expression in the Declaration of Independence and in the establishment of a free government.

In 1771 the imports of the colonies exceeded the exports by \$13,750,000, a vast sum for that period. The people were not only

Efforts of the mother country to check industrial progress in the colonies.

Early commercial
legislation.

impoverished but were fast losing spirit and ambition. The leaders of the times saw that it could continue no longer, and there was no recourse except through a revolt, with what success need not here be recounted.

In 1776 the Continental Congress, after signing the Declaration of Independence, urged the colonies to form separate State governments. This had already been done by the State of New Hampshire, which adopted a constitution in June of that year. Following this suggestion of Congress the colonies all adopted constitutions with the exception of Connecticut and Rhode Island, which continued under their royal charters. The form of government under which the Revolutionary war was fought consisted of a confederation of these new States for mutual defence. Representatives were sent by each State to a Continental Congress which in a general way directed the affairs of the Confederacy in the conduct of the war. Articles of Confederation were adopted in the spring of 1781, under which bills of credit or Continental money were issued and a postal system and war department established. The executive officers were the Secretary of the Treasury and the Secretary of War and Foreign Affairs, who performed the duties of Secretary of State. This form of government continued until the adoption of the Constitution in 1789. As a directing body to press the Revolution through to a successful termination the Continental Congress had the sympathetic assistance and aid of all of the States. Yet as a legislative body to make laws for the government of a nation, it lacked authority. During the period of the confederation no duties could be imposed excepting by the States themselves for the protection and encouragement of industries. It is during this time that we find in the action of the State legislatures the first step toward the encouragement of manufacturing. Prior to the establishment of these State governments such regulations were strictly prohibited by parliament and when the constitution was adopted in 1789 the power of imposing duties on imports and of regulating commerce between nations was vested in the general government.

Certain States had attempted to impose duties on imports, but for the want of concerted action such attempts invariably failed. Pennsylvania established a duty of $2\frac{1}{2}$ per cent, but New Jersey's free port at Burlington served to nullify Pennsylvania's action. New Jersey voted to allow Congress to impose a general tariff but New York objected. New Jersey then retaliated by opening a free port at Paulus Hook opposite New York City, and New York merchants took advantage of it and got their goods free of duty through this port as did Philadelphia merchants through Burlington. But such action was of course suicidal. Congress could impose no duties without the consent of all thirteen States and this could not be had. Each State regulated its own trade and imposed duties not only on foreign products but on the products of other States. Each one was jealous of the other and none were prosperous. Wisdom

finally prevailed and a constitution was adopted empowering Congress to impose uniform duties. At the close of the Revolutionary war the colonists occupied the same position with relation to the nations of Europe as Venice occupied in the fourteenth century toward the city of Damascus and the industries of Asia. They were in the same condition that France and Germany were in the seventeenth century as regards Holland, Flanders and the Italian cities, and the English people in the sixteenth century when their markets were controlled by the Dutch, Flemish, Italians and Germans. From Maine to Florida every separate seaport and market from the time of the earliest settlement in 1607 had been supplied with the manufactures of Europe. The 3,000,000 of people who gained their independence had devoted their energies to agricultural pursuits. In 1777 John Dickinson, of Pennsylvania, wrote: "We are tillers of the earth from Nova Scotia to West Florida."

An experience of one hundred and fifty years proved that the climate and soil were suited to the growth of a great variety of cereals, vegetables, fruits and fibres. The mineral resources of the country were not unknown. The vast water power of the New England States, together with the wants and needs of the people, had suggested the advantages which might be derived from manufacturing and mining as well as from agriculture. Agriculture was regarded as of the highest importance, as shown in the language of Daniel Webster: "Agriculture feeds, to a great extent it clothes us; without it we should not have manufactures; we should not have commerce. They all stand together like pillars in a cluster, the largest in the centre, and that largest is agriculture."

*Agriculture—
Insignificance of
manufactures.*

While the statesmen of the time recognized the importance of agriculture, they were familiar with the economic policy by which the nations of Europe, especially England, had not only improved this industry but developed manufacturing and mining, and had increased the opportunities for industrial progress, by which larger employment was found for their people and greater national prosperity and opulence secured. At the close of the Revolutionary war Great Britain was in the midst of that protective period which had been so vigorously pursued since the time of Elizabeth. During the so-called period of Confederation, from 1783 to 1789, we find for the first and perhaps the last time in the recent history of the world, a nation under absolute free trade. It took but little time to demonstrate what such a system will bring upon a country. In three years' time nearly all the country's money had passed into the pockets of British merchants and manufacturers, and we were almost without the means to make or raise anything for ourselves. With no tariff whatever, our shores were heaped with the products of every nation, of such kind and description that we could not make even a feeble attempt to establish any competing industries of our

own. Our imports from Great Britain alone in 1784 and 1785 were \$30,000,000, while to her we exported only \$8,000,000. The following table will show our whole trade with England from 1784 to 1790, inclusive:

	Exports.	Imports.
1784, ...	£749,345	£3,679,467
1785, ...	893,594	2,308,023
1786, ...	843,119	1,603,465
1787, ...	893,637	2,009,111
1788, ...	1,023,789	1,886,142
1789, ...	1,050,198	2,525,298
1790, ...	1,191,071	3,431,778
	£6,644,753	£17,443,284

Thus it will be seen that in seven years the excess of imports over exports exceeded \$52,000,000, an enormous drain in those early days of our history. This was the result of absolute free trade. In the words of David H. Mason:

As this was the closest approach to absolute free trade tried by this country, so there was the largest harvest of dangers and calamities ever experienced by the American people. Had there been no free trade there would have been no inundation of foreign goods. Had there been no inundation of foreign goods there would have been no drain of specie. Had there been no drain of specie there would have been no lack of a circulating medium. Had there been no such distress there would have been no impulse toward insubordination to the State.

At last our forefathers awakened to the real cause of their condition and took steps to bring about a change. A constitutional convention was called, a constitution was adopted and in the face of the declaration of the Democratic party of the United States in their platform adopted at Chicago in 1892 that protection is unconstitutional, it may not be amiss to inquire for a moment what ideas were in the minds of our forefathers and the early statesmen of the government, when they met in 1789 and established a constitutional government.

Constitutionality of protection.

Daniel Webster, in a speech at Buffalo, June, 1833, declared that, "The protection of American labor against the injurious competition of foreign labor, so far at least as respects general handicraft productions, is known historically to have been one end designed to be obtained by establishing the Constitution."

In a speech at Albany, in August, 1844, he said:

In Colonial times, and during the time of the convention, the idea was held up that domestic industry could not prosper, manufactures and the mechanic arts could not advance, the condition of the common country could not be carried up to any considerable elevation, unless there should be one government to lay one rate of duty upon imports throughout the Union, regard to be had, in laying this duty, to the protection of American labor and industry.

I defy the man in any degree conversant with the history, in any degree acquainted with the annals of this country from 1787 to 1789, when the Constitution

was adopted, to say that protection of American labor and industry was not a leading, I might almost say the leading, motive, South as well as North, for the formation of the new government. Without that provision in the Constitution it never could have been adopted.

Rufus Choate, who made a careful study of this matter, declared:

A whole people, a whole generation of our fathers, had in view, as one grand end and purpose of their new government, the acquisition of the means of restraining, by governmental action, the importation of foreign manufactures, for the encouragement of manufactures and labor at home; and desired and meant to do this by clothing the new government with this specific power of regulating commerce. This whole country, with one voice, demanded to have inserted in the Constitution the power to enact protective legislation, a power which they held as another declaration of independence—a power by which we are able to protect all our children of labor. This power must not be surrendered, must not sleep, until the Union flag shall be hauled down from the last mast-head—a slight which, I trust, neither we nor our children to the thousandth generation are doomed to see.

In the debate on the first tariff bill in 1789, Fisher Ames said: "I conceive, sir, that the present Constitution was dictated by commercial necessity more than by any other cause. The want of an efficient government to secure the manufacturing interests, and to advance our commerce, was long seen by men of judgment and pointed out by patriots solicitous to promote our general welfare."

*Views of
early
statesmen.*

A mass of evidence of this nature could be cited but the fact that many of the very men who made the Constitution helped to frame the first tariff law with its protective features, coupled with the fact that the first President of the Republic concurred in their views must be conclusive as to their motives and intentions.

Section VIII of the Constitution reads, that Congress shall have power:

1. *"To lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defence and general welfare of the United States, but all duties, imposts and excises shall be uniform throughout the United States."*

3. *"To regulate commerce with foreign nations," etc.*

In the light of what followed and has continued till the present day it seems superfluous to attempt a defence of the fact that protective duties have been for the "general welfare of the United States," and that they have served to "regulate commerce with foreign countries." There could be no stronger or more conclusive proof that the makers of the Constitution intended to bestow upon Congress the power to impose duties for protection as well as revenue than the fact that the very first measure, save an act to regulate the form of official oaths, was a tariff bill embodying the principles of protection. The preamble to this act read:

"Whereas, it is necessary for the support of the government for the discharge of the debt of the United States, and *for the encouragement and protection of manufactures*, that duties be laid on imported goods, etc., therefore be it enacted," etc.

Here was a bill framed and passed within a few months after the making of the Constitution. The same men, the same minds, contributed to both. There was not a protest that the bill was unconstitutional. It not only carried out the letter and spirit of the Constitution, but there is not a particle of doubt but that the main causes that led to the adoption of the Constitution was that such a bill should be framed and made a law by Congress. As has been shown we were an agricultural people. We could not manufacture for ourselves under the rule of England. Our Congressmen were farmers. They saw that a home market was essential to their prosperity. They saw that we must manufacture for ourselves. And in the minds of those farmer statesmen were awakening into life the first thoughts of an American tariff system, a system with a home market as its foundation, with protection to all industries as its keystone. They had no thought of the welfare or ruin of England or France or the rest of the world. They made a constitution and passed laws for America and Americans. Five of the leading men who supported that first tariff bill afterward became presidents. That the thought of establishing an American system was foremost in the minds of those patriot fathers can be gleaned from what Jefferson said upon accepting an election to membership in a Society for the Encouragement of Domestic Manufactures, in 1817. He wrote:

The history of the last twenty years has been a significant lesson for us all to depend for necessities on ourselves alone; and I hope twenty years more will place the American hemisphere under a system of its own, essentially peaceable and industrious and not needing to extract its comforts out of the eternal fires raging in the old world.

*Opinions
of the early
Presidents.*

Washington, Adams and Jefferson were outspoken concerning the need of protection. "The safety and welfare of the people," said Washington, "require that they promote such manufactures as to render them independent of others for essentials." John Adams, in speaking of the tariff and its effects, in his last annual message, said: "This result affords conclusive evidence of the great resources of the country and of the wisdom and efficiency of the measures which have been adopted by Congress." Jefferson continually referred to the beneficence of a protective tariff in his messages, in public papers and private correspondence. Our fourth President, James Madison, gained the reputation of being "the father of the Constitution." He was also supposed to be the author of the preamble of the first tariff law. Mr. Madison himself introduced that first tariff bill into Congress, defended and with the aid of

his fellow statesmen, excepting eight only, passed it. Afterward, in a special message to Congress, May 23, 1809, he said: "It will be worthy of the just and provident care of Congress to make such further alterations in the laws as will more especially protect and foster the several branches of manufactures which have been recently instituted or extended by the laudable exertions of our citizens."

In Pitkin's Statistics we find the following:

One of the objects which claimed the attention of the First Congress, under the new form of government, was the encouragement and protection of the manufacturing as well as the commercial interests of the country. In laying duties on imports in July, 1789, Congress had reference, as the preamble of the act imposing them declares, to "the protection and encouragement of manufactures." This was, also, openly avowed, on the floor of the House of Representatives, in the debates on the first tariff established by the general government. The first Secretary of the Treasury (Hamilton), whose powerful mind seemed intuitively fully to comprehend every subject to which it bent its force, was the great advocate of American manufactures. In his celebrated report on this subject, presented to the House of Representatives, in January, 1791, every argument was urged and we may truly add, exhausted, in favor of the policy and expediency of protecting and encouraging this branch of domestic economy.

The constitutionality of a protective tariff was never questioned in those early days. It is doubtful if there was any anticipation that it would ever be. But the question was settled once and for all not only by the speeches of "the father of the Constitution," but by all his coadjutors. Those statesmen were in perfect accord. The Constitution was adopted and a tariff bill framed and passed providing for both revenue and protection at the will and command of the people. Said Mr. Madison: "The people adopted the new constitution, I believe, under a universal expectation that we should establish higher duties." Having in mind the duties imposed by the different States he added, "Those States have now relinquished the power of continuing their systems, but under the impression that a more efficient government would effectually support their views." There was no equivocation, no attempt at ambiguity. Says R. W. Thompson, in his "History of the Protective Tariff," concluding an exhaustive treatment of this subject:

Constitutionality of a protective tariff thoroughly established.

The tariff law of 1789, therefore, must fairly and justly be accepted as having settled, as far as could be done by legislation, the constitutionality of giving protection to manufactures, and as having laid the foundation upon which the protective policy has since rested. He, who, after becoming familiar with the plain and precise facts, perversely insists upon putting a different interpretation upon them, makes his "wish father to the thought," or is singularly incapable of understanding history and the philosophy it teaches.

It is not necessary to fill pages, as could be done, with testimony corroborative of the honesty of purpose of the founders of the Republic. The reader, however, will not think too much has been said or quoted

when such scholars as Professor Taussig declare that: "For twenty years after the formation of the Union other subjects so absorbed the attention of public men that no distinct opinion appears in their utterances for or against protective duties."¹ A careful reader of the history of the early days of the Republic on finding it teeming with very distinct and most emphatic utterances in favor of protective duties would advise Professor Taussig to reconstruct his tariff history.

The act of July 4, 1789, levied duties on thirty-five articles. Further acts were passed in 1790, 1791, 1792, 1794, 1795, 1797, 1800, 1804, 1807, 1808. In the law of 1808 over one hundred and seventy-five articles were enumerated bearing duties and about thirty articles were admitted free.

*Hamilton's
report.*

Shortly after the passage of the first tariff law a resolution was passed in the House of Representatives instructing Alexander Hamilton, Secretary of the Treasury, to prepare and report a plan, "for the encouragement and promotion of such manufactures as will tend to render the United States independent of other nations for essential, particularly for military, supplies." The report has ever been considered a masterpiece. No public document has ever shown greater care, greater clearness, greater wisdom. Hamilton showed that he was a thorough protectionist, in entire harmony with the leading statesmen of the day. He argued for a home market, for diversification of industry, and for industrial independence. It is needless to add that the report was approved and acted upon. The reader has seen how England drained us of over \$50,000,000 during the Confederation when we had absolutely free trade. In five years after the tariff law of 1789 went into operation the balance of trade with Great Britain stood in our favor. During the seven years from 1795 to 1801 inclusive, our exports to the mother country exceeded our imports by \$90,000,000. Our revenue soon began to exceed our expenditures. Our public debt was reduced from \$80,000,000 in 1793 to \$45,000,000 in 1812, at the breaking out of our second war with Great Britain. Our prosperity was manifest on all sides for twenty-five years following that first tariff.

In 1808 came the embargo to meet the Berlin and Milan decrees of Napoleon and the British Orders in Council. This retaliatory move was extremely unpopular and in 1809 it was followed with the Non-Intercourse Act, which applied only to our trade with England and France. One complication after another followed, till in 1812 war was again declared against Great Britain and all commercial intercourse ceased. As a means of raising a war revenue all existing import duties were doubled. European trade was virtually at an end and American manufactories sprang up to supply the demand for those articles heretofore imported. It may not be uninteresting before going further

¹ Tariff History of the United States, p. 12.

to study the returns of manufacture in 1810 prepared by order of the government.

The estimate was prepared by Mr. Tench Coxe, and was as follows:

1. Goods manufactured by the loom, from cotton, wool, hemp, flax, and silk, including stockings, ...	\$ 39,497,057	<i>Rise of manufactures.</i>
2. Other goods spun from the fine materials above enumerated, ...	2,052,120	
3. Instruments and machinery manufactured, estimated at \$186,630, carding, fulling, and floor-cloth staining by machinery, estimated at \$5,957,816, ...	6,144,446	
4. Hats of wool, fur, etc., and from mixtures thereof, ...	4,328,744	
5. Manufactures of iron, ...	14,364,526	
6. Manufactures of gold, silver, set-work, mixed metals, etc., ...	2,483,912	
7. Manufactures of lead, ...	325,560	
8. Soap, tallow, candles and wax, spermaceti, and whale oil, ...	1,766,292	
9. Manufactures of hides and skins, ...	17,935,477	
10. Manufactures from seeds, ...	858,589	
11. Manufactures from grain, fruit, and case liquors, distilled and fermented, ...	16,528,206	
12. Dry manufactures from grain, exclusive of flour, meal, etc., ...	75,767	
13. Manufactures of wood, ...	5,554,708	
14. Manufactures of essences of oils, ...	179,150	
15. Refined sugar, ...	1,415,724	
16. Manufactures of paper, paste boards, cards, etc., ...	1,939,285	
17. Manufactures of glass, ...	1,047,004	
18. Manufactures of marble, stone, and slate, ...	462,115	
19. Earthen manufactures, ...	259,720	
20. Tobacco manufactures, ...	1,260,378	
21. Drugs, dye-stuffs, and dyeing, ...	500,382	
22. Cables and cordage, ...	4,243,168	
23. Manufactures of hair, ...	129,731	
24. Various and miscellaneous manufactures, ...	4,347,611	
Total, ...	\$127,694,602	

This would be a remarkable showing under any circumstances, but considering the condition of the people when a tariff was adopted, considering the constant hostility of England to our industrial progress and considering the fact that we had only the crudest of machinery, the progress of our forefathers in manufacture was indeed marvelous. England had passed the most stringent laws against the exportation of any textile machinery. In 1774 a restrictive statute was enacted, and in 1781 still another statute was enacted amending the former act and prohibiting the exportation of

Any machine, engine, tool, press, paper, utensil, or implement whatever, which now is, or may at any time be, used or proper for the preparing, working, pressing, finishing, or completing of linen, cotton, wool or silk manufactures of this kingdom, or any other goods wherein wool, cotton or silk is used, or any part of such machine, etc., or any model or plan of such machine.

It was not till 1845 that these prohibitions were wholly removed and while in existence they were strictly enforced and very rarely evaded. Attempts were made to smuggle models into this country, but all such efforts failed. The consequence was that we were thrown entirely on our own resources and we became a creative and inventive people. As she had done before the Confederation, so again did England overreach herself and compel us to become industrially independent. We were equal to the occasion as England soon learned to her cost. We would willingly have bought her machinery, but she compelled us to make our own. In the words of John Hayes: "Forced to be self-reliant, our textile arts and our machinery are as original and characteristic as our indigenous plants, and, we may add, as noble and symmetrical as our native elms."

The close of the war in 1815 brought with it a change of import duties, and as the result was so disastrous it will be well to examine closely the causes. President Madison in his special message of 1815, declaring the war at an end and the treaty of peace, said:

The reviving interest of commerce will claim the legislative attention at the earliest opportunity, and such regulations will, I trust, be seasonably devised as shall secure to the United States their just proportion of the navigation of the world. But there is no subject that can enter with greater force and merit into the deliberations of Congress, than the consideration of the means to preserve and promote the manufactures which have sprung into existence, and attained an unparalleled maturity throughout the United States during the period of the European wars. This source of national independence and wealth I anxiously recommend, therefore, to the prompt and constant guardianship of Congress.

*Tariff
of 1816.*

Mr. Gallatin, Secretary of the Treasury, in approving of the report made by Mr. Coxe, said:

And it is not improbable that the raw materials used, and the provisions and other articles consumed, by the manufacturers, created a *home market for agricultural products* not very inferior to that which might have arisen from foreign demand—a result more favorable than might have been expected from a view of the natural causes which impede the introduction, and retard the progress of manufactures in the United States.

Here we find another allusion to the home market which was rapidly becoming of no inconsiderable importance. As the years went on, in spite of war and foreign hostility, the American people, becoming more and more self-reliant and industrially independent, were building up both consciously and unconsciously a home market that was to be the corner-stone, yes, the very foundation of the American System of Protection. As we follow the development of this system we shall see what made such a market possible and profitable; a market destined to overshadow all the markets of the world combined. As James Madison was the leading mind in making the Constitution and framing the first tariff law, so he was a prime mover in the adoption of the tariff law of 1816. He was ably seconded by his Secretary of the Treasury, Mr. Dallas, who

made a report to Congress recommending an increase of duties not for revenue alone but for the express purpose of giving further protection to manufactures. In this report he says:

The interests of agriculture require a free and constant access to a market for its surplus, and a ready supply of all the articles of use and consumption on reasonable terms; *but the national interest may require the establishment of a domestic in preference to a foreign market*, and the employment of domestic in preference to foreign labor, in furnishing the necessary supplies.

The Committee of Commerce and Manufacture of the Fourteenth Congress was composed of Representatives from Virginia, North Carolina, South Carolina, Pennsylvania, Massachusetts and Rhode Island, the North and South being equally represented. All were practical men. They considered the resources of the country and the efforts of England to break down our industries. The high duties of 1812 imposed to meet the demands of the war failed in their object, owing to the cessation of foreign commerce, especially with Great Britain, but this very lack of importations was a blessing because of the impetus given to the manufacturing of articles before then imported. To preserve these industries that had arisen during the war was the chief concern of Congress in 1816.

In the discussion which took place on the then pending tariff bill can be found frequent allusions to an American policy and system of protection. The main defence of the bill was entrusted to John C. Calhoun, who in the course of his debate referring to the fact that since the close of the war England was flooding our markets with her goods, said: "To this distressing state of things there are two remedies, and only two: one in our power immediately, the other requiring much time and exertion; but both constituting, in my opinion, the essential policy of this country." The bill had been reported unanimously from the above mentioned committee and was supported by the leading statesmen of the day, including Henry Clay, William Lowndes, Samuel D. Ingham and others besides Mr. Calhoun. It was passed in the House by a vote of eighty-eight to fifty-four, and in the Senate by a vote of twenty-five to seven. Thirty-one of the negative votes came from the Southern States though it is not contended that as yet any sectional opinion as such had arisen on the tariff question.

It matters not what was the effect of the bill on the prosperity of the country. It was meant to be a thoroughly protective measure and was supposed to be framed with duties high enough to give encouragement to new industries and protection to those already established. That it did not succeed to the extent anticipated was due to causes unforeseen at the time of its passage. England now realized as she had not hitherto done that the United States was fast becoming a manufacturing nation. By the Embargo and Non-Intercourse Acts and the War of 1812, England had been deprived of our market much to her loss and our gain. We

English competition.

Commer-
cial war-
fare.

had been compelled to rely upon ourselves, and with the passage of the thoroughly protective tariff of 1816 we bade fair to continue and preserve by protection what we had gained by prohibition and war. It would never do to lose the American market without a struggle and England was peculiarly prepared at this time to make a most vigorous attack upon our industries. She was overburdened with accumulated goods of all kinds and her leaders saw the opportunity to overwhelm us with cheap wares, of which they were not slow to take advantage. The matter was brought before parliament, and though a part of the oft-quoted speech of Lord Brougham has been used elsewhere in these pages, it was at this time that the speech was made and its suggestions first carried out. The sentence that Americans should always have in mind when considering England's policy toward this country, is as follows: "*It is worth while to incur a loss upon the first exportation, in order, by the glut, to stifle in the cradle those infant manufactures in the United States, which the war has forced into existence.*" The system of commercial warfare, the battle of fabrics, referred to by Lord Brougham, should not be lost sight of in framing an economic policy for a country. The fact that free and fair competition does not exist and is wholly disregarded by commercial rivals; the fact that strong and powerful producers take advantage of conditions and overwhelm and deliberately ruin weaker competitors, and then, after securing the market, raise the price of their commodities and compel consumers to make good the loss which their successful rivals have incurred in order to secure a monopoly of trade, is entirely lost sight of and little understood by many who have been misled by the plausible theory of free trade. The deliberate exercise of this unfair method played a large part in arousing the American people to the necessities of raising a protective barrier to shield the labor and capital of the country from such invasion of the country.

Not only did England glut our markets with the cheapest of wares, but she adopted other measures tending still further to destroy our industries. Says Niles in his history:

It is notorious that great sums of money were expended by the British to destroy our flocks of sheep, that they might thereby ruin our manufactories. They bought up and immediately slaughtered great numbers of sheep; they bought our best machinery and sent it off to England, and hired our best mechanics and most skillful workmen to go to England, simply to get them out of this country, and so hinder and destroy our existing and prospective manufactures.

Weighted down as we were, by a large war debt, with our markets continually filled with English wares, we suffered from a ruinous drain of specie. Our import duties, intended though they were to keep out foreign goods, were far too low to accomplish that end and we were at England's mercy. Our debt had increased from \$45,000,000 in 1812 to

\$127,000,000 in 1816. Our imports in 1814 amounted to less than \$13,000,000. In the four years succeeding they were as follows:

1815, ...	\$113,041,274
1816, ...	147,103,000
1817, ...	99,250,000
1818, ...	121,750,000

Our exports for these four years amounted to \$252,000,000, a balance against us of \$229,000,000 which had to be paid for in specie as we were unable to settle the account in goods. Our condition became most deplorable. Says Benton, writing of this period later:

The tariff of 1816 an inadequate measure.

No price for property; no sales except those of the sheriff and the marshal; no employment for industry; no demand for labor; no sale for the products of the farm; no sound of the hammer, except that of the auctioneer knocking down property. Distress was the universal cry of the people; relief, the universal demand, was thundered at the doors of all legislatures, State and Federal.

Though a protective tariff law intended as such had been enacted, yet it really was a free trade statute and brought about a free trade period. It matters not how high an import duty may be, if it is not sufficiently high to keep out foreign goods, it is not protective. No duty is protective if the foreign manufacturer is willing to pay this duty, sacrificing his own profit, and sell us his goods cheaper than we can make them, in order to ruin our industries and then step in and control the market. A tariff, however high, is still a low tariff when it will not prevent the importation of manufactures that should be made at home. In 1816 young as were our industries and small as was our population, 70,000 operatives were discharged and made idle or driven to the farms. The agriculturist thereby not only lost his market but had to divide his profits so that his productions hardly paid for the marketing.

Prices, especially of agricultural products, continued to fall rapidly throughout 1819, for the European harvests were again abundant and the English Corn Laws began to have their effect. That general readjustment of industry and scaling down of prices, inevitable after the long and costly Napoleonic wars, fell now with crushing weight on the American ship-owner and farmer. It is during the decade from 1819 to 1828, inclusive, that we may trace the very rapid growth of sentiment in favor of the "American System," as the writers and speakers of that day delighted to call it. As a prominent writer says: "The distress that followed the crisis of 1818-19 brought out a plentiful crop of pamphlets in favor of protection, of societies and conventions for the promotion of domestic industry, of petitions and memorials to Congress for higher duties."

Growth of protective sentiment.

Of the protective literature of this epoch there is nothing better or more to the point than an "Address of the Society of Tammany, or

Columbian Order, to Its Absent Members and the Members of the Several Branches Throughout the United States." From this address the following is taken:

Brothers: A deep shadow has passed over our land, a commercial and individual gloom has created a universal stillness. In our remotest villages the hammer is not heard, and in our large cities the din and bustle of thrifty industry has ceased. A remedy for this evil would be precious as rubies to him who values the institutions of the country, and glories in its indigenous greatness. It is the most grateful to the American ear and nearest to the American heart; it is the encouragement of our own manufactures.

Towards the close of the year 1819 a convention of the "Friends of National Industry" assembled in the City of New York, at which were present delegates from New York, New Jersey, Pennsylvania, Delaware, Maryland, Massachusetts, Rhode Island, Connecticut and Ohio. That indefatigable champion of protection, Mathew Carey, acted as secretary. On motion, it was recorded:

That it be recommended in the most earnest manner, to the manufacturers and their fellow citizens in the different States, to form societies for the encouragement of domestic industry; and to call a convention in each State on the third Monday in December following, for the purpose of ascertaining the rise, progress and decay of manufactures throughout the Union.

A memorial was then ordered to be transmitted to Congress and printed. The memorial itself portrays vividly the existing prostration of manufactures, concluding as follows:

While so many of our manufacturers are thus ruined—our working people destitute of employment and of the means to support their families—and our water powers, with which we are pre-eminently blessed, unemployed; our cities and towns are filled with the manufactured productions of other nations, by which we have been and are ruinously drained of our wealth. That these complicated evils which oppress us, and which have taken place during a season of profound peace of nearly five years' duration, after a war closed with honor which left us in a state of high prosperity, evince that there is something radically unsound in our policy, which requires a radical remedy, in the power of the national legislature alone to supply.

A comparative table of British and American import duties on manufactured goods was appended, showing that the British rates averaged over four times the American rates. Early in 1820 a determined effort was made to change the tariff. A committee on manufactures had been appointed on December 8, 1819, by the House of Representatives, and petitions and memorials were almost daily pouring in; but it was not until the twenty-second of March, 1820, that the subject was finally taken up. The bill presented by the Committee on Manufactures having been read in the House, on the twenty-first of April, Mr. Baldwin, of Pennsylvania, chairman of the committee, spoke in its defence:

If this bill, said Mr. Baldwin, either in its general principles or in its details, cannot be supported on national principles, we are willing that it shall fall. We

*Debate on
the tariff
bill of 1820.*

have thought that this nation can never be flourishing and independent unless it can supply from its own resources its food, its clothing, and the means of defence; that to be dependent upon foreign nations for the articles essential for these purposes, is inconsistent with true policy, and that the system which has entailed on us this dependence must be radically changed. The present is not a forced, but the natural settled state of the country; and it requires no reasoning to prove that measures calculated on a general war in Europe will not suit a general state of peace; they must and will be controlled by circumstances.

Gentlemen tell us of the advantage of a free exchange of the produce of the world; but they tell us of that which never existed, does not exist, and perhaps never will exist. They invite us to give perfect freedom on our side, while in the ports of every other nation we are met with a code of odious restrictions, shutting out entirely a great part of our produce and letting in only so much as they cannot do without. If the governing consideration were cheapness, if national independence were to weigh nothing, if honor nothing, why not subsidize foreign powers to defend us? Why not hire Swiss and Hessian armies to protect us? We should probably consult economy by these dangerous expedients.

I repeat it, let us proclaim to the people of the United States the incontestable truth that our foreign trade must be circumscribed by the altered state of the world; and leaving it in possession of all the gains which it can now possibly make, let us present motives to the capital and labor of our country to employ themselves in fabrications at home.

Referring to works on political economy, Henry Clay said with fine sarcasm:

I, too, sometimes amuse myself with the visions of those writers, as I do with those of metaphysicians and novelists; and if I do not forget, one of the best among them enjoins upon a country to protect its industries against the injurious influence operating upon it from the prohibitions and restrictions of foreign countries. The war of our Revolution effected our political emancipation; the last war contributed greatly toward achieving our commercial freedom; but our entire independence will only be consummated after the policy of this bill shall be recognized and adopted.

Among the political pamphlets that appeared during this year of tariff agitation was a "Circular and Address of the National Institution for Promoting Industry in the United States," to their fellow-citizens. This pamphlet attacks the current interpretations of Adam Smith's economic doctrines, so far as they relate to freedom of trade; and goes on to show the expediency and justice of protecting home manufactures. Another pamphlet of the year 1820 worthy of mention, was a stirring address to the people of the United States, called by its author "Plain Sense on National Industry." In one place the author says: "Adam Smith *wrote* and the British Government *acted*, taking care to have Mr. Smith's book sent to foreign countries and translated into foreign languages. These countries were much influenced by it, while Great Britain practiced directly against it."

*Tariff
movement
in 1820.*

The tariff bill finally passed the House of Representatives, on April 28, 1820, the vote standing ninety to sixty-nine. It was twice read in

*Tariff agitation—
"The Political Economist."*

the Senate on May 1, and three days later was postponed indefinitely, by a bare majority, twenty-two to twenty-one. But little effort was made to increase the tariff until early in 1824, when, on the eleventh of February, the House went into Committee of the Whole on the bill to amend the several acts for imposing duties on imports.

We have now come to the year which was to see enacted the first distinctly protective tariff—that of 1824. The tariff bill of this year was passed by a combination of Middle and Western States, together with Rhode Island and Connecticut. The South was strongly in opposition. It will now be in order to examine the educational forces that were at work throughout the country, both upon the people and upon their representatives in Congress, during the early months of 1824. There was one publication of that time which seems to comprehend and sum up all the current arguments and pleas in behalf of a protective policy. It was a sixteen-page serial pamphlet called "The Political Economist," edited by Mathew Carey, father of Henry C. Carey. It was published weekly in Philadelphia, from January 24, to April 24, except that no number appeared from February 28 to March 20. Each number was headed with this quotation from "The Wealth of Nations:" "Whatever tends to diminish in any country the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets for produce of the land; and thereby, still further discourage agriculture." The second article of the first number was a comparison of the policy of Great Britain with that of the United States on the subject of manufactures. To make this comparison more forcible, the "deadly parallel" was employed. There was a series of letters written by Mathew Carey on the subject, "Extravagant Importations the Bane of National Prosperity," and signed "Hamilton." He began by assuming, as undeniable:

(1) That this country enjoys advantages—natural, moral and political—never excelled and rarely equaled; (2) that a nation possessing such transcendent advantages, and free from the desolation of war, famine and pestilence, could not—except under a policy radically unsound—fail to enjoy uninterrupted prosperity.

He gave statistics and arguments to prove that the financial depression and wide-spread suffering had been due to over-importation, resulting in a constant drain of specie and the breakdown of American manufactures, and concludes as follows:

Since the first formation of government, there probably never was a greater sacrifice made of national wealth and prosperity or of individual happiness in a time of peace;—and never had the rulers of a free people a heavier account to settle with history and posterity, by whom the pernicious system we pursue will be duly appreciated.

"A Memorial of the Farmers, Mechanics and Merchants of the County of Rensselaer, New York," praying for a revision of the tariffs;

and an extract from an address delivered before an agricultural society of Northampton, Mass., were among the contributions to the "Political Economist." There was also a unique series of articles entitled "The Wealth of Nations," under which head were presented—to use the words of the author—

Those sound maxims of political economy by the practice of which the prosperous nations of Europe have attained to the high degree of wealth, power and resources which they have enjoyed. They (the maxims quoted) shall all be simple and intelligible, and from the most unexceptionable authorities.

Among the works quoted from were Alexander Hamilton's "Report on Manufactures," Anderson, "On Industry," Jefferson's "Report on United States Commerce in Foreign Countries," and others. Throughout the "Political Economist" runs a series of "Examinations" of Judge Cooper's "Tract on a Modification of the Tariff." In 1823 Judge Cooper, at that time president of Columbia College, S. C., had appeared as the relentless enemy of the manufacturers, whom he characterized as "an associating, club-meeting, committee-forming, paragraph-writing, memorializing, urging, teasing set of men," governed solely by their own interests. And he even went so far as to hint darkly that the South would not submit to further protection of the manufacturing interests. This same Thomas Cooper was, in 1813, Judge of the Supreme Court of Pennsylvania, at which time he had published his views on the tariff, giving lucid and forcible arguments in favor of protection to manufactures. Another series of articles is signed "A Looker-on," and a foot-note says that the writer is a Southern planter. His breadth of view and liberality of sentiment will be shown from the following quotation:

There is too much capital and skill employed in every department of political economy in Europe to be rivaled here without some aid in the commencement. Dint of circumstances alone cannot be depended upon to overcome the mass of experience that Europe presents. To develop and bring into requisition the extraordinary resources of the country calls for federation aid—calls for premiums and temporary sacrifices. Shall we let such masses of iron, copper, lead, zinc, coal and salt—materials connected with our very independence—slumber in the bowels of the earth, when a little protection, a little sacrifice, would bring them all in active production. And is it extraordinary that we should ask our government to aid in developing our own resources?

The last number of the "Political Economist" was entirely devoted to Henry Clay's great speech delivered before the House of Representatives, March 30 and 31, 1824. Of all the economic ideas enunciated in the course of this remarkable speech, it will be possible to notice only one or two in addition to the one already quoted at the beginning of the chapter. He said, "The great desideratum in political economy is the same as in private pursuits, *i. e.*, what is the best application of the aggregate industry of a nation that can be made honestly to produce the largest sum of national wealth?" And then in somewhat different

*Clay's
speech.*

phraseology he enunciates Professor List's doctrine of the importance to a nation of a gain in productive power, saying, "The object of wise governments shall be by sound legislation so to protect the industry of their own citizens against the policy of foreign powers as to give it the most expansive force in the production of wealth." Near the close of his speech he took occasion to eulogize Mr. Mathew Carey as follows:

I hope I shall give no offence in quoting from a work of Mathew Carey, of whom I seize with great pleasure the occasion to say that he merits the public gratitude for the disinterested diligence with which he has collected a large mass of highly useful facts, and for the clear and convincing reasoning with which he generally illustrates them.

*Southern
opinion
divided.*

During the years 1825 and 1826 the question of the tariff was not a prominent one in American politics but the excitement springs up afresh in 1827, and the pamphleteering becomes as vigorous and as prolific as ever. An important document was an "Examination of a Memorial from the Chamber of Commerce, Charleston, S. C., Against Increasing Tariff Rates." This "examination" was a series of five pamphlets, signed "Jefferson" (who, it was thought, was Mathew Carey). Each of the following arguments against the protective system, which had been used in the "memorial" are taken up and refuted in detail:

1. That it will provoke retaliation.
2. That it will impair the national revenue.
3. That it is unconstitutional.
4. That it will tax the many for the benefit of the few.
5. That it will impose unequal burdens on the different classes of society.
6. That it will introduce smuggling.
7. That it will tend to abridge the foreign market.

In the third number of the series the author turns aside from the main purpose of the "examination" to reply with spirit and eminent fairness to a speech of Judge Cooper on the tariff, which had appeared in a Southern newspaper on the thirteenth of that month (July, 1827). He says:

Already threats of resistance and glances at separation far from very obscure appear in your papers and appear in the declamations of your orators, and are not regarded with the abhorrence to which they fairly lay claim. Let me implore you, gentlemen, by the immortal memory of the illustrious Washington—by the salvation and prosperity of the blessed country we enjoy—by everything else you hold near and dear—and I was going to add, by all your hopes of happiness here and hereafter—to pause in your career. Do not kindle infinite passions between brethren of the same family.

But the South was by no means as yet a unit in its opposition to the "American System." "The Question of the Tariff Discussed," is the heading of a pamphlet which was published in Charleston,

S. C., and contained as a sort of preface the following "Address to the Public:"

A number of your fellow citizens, esteeming the following communication—which originally appeared during the last summer in the Charleston Courier and City Gazette—calculated to extend a more correct understanding and better information upon the subject of their discussion than at present to be found, have taken the liberty of collecting them together and submitting them in their present form. They are aware of the excitement which prevails against the doctrine of the tariffs and protecting duties; but believing, as they conscientiously do, that the ill-feeling which has embittered party distinction throughout the country owes its origin in a great measure to prejudice or misrepresentation, they respectfully offer to your candid and serious consideration this brief synopsis of the facts and arguments upon which their own convictions are based. They are, in fine, anxious for the establishment of truth and the promotion and prosperity and independence of our common country.

The communication to the "Courier", signed "Old '76"—included extracts from the public utterances of Washington, Jefferson, Madison, and Monroe, each of whom, says the writer, warmly advocated the "American System"—the old Republican system, when men were proud to wear homespun. Franklin, Hamilton, and even Adam Smith, were made to fall in line in support of protection to home industries. The term "American System" appears in this series of articles at every available opportunity.

Tariff literature.

Another important addition to the tariff literature of 1827 was an "Essay on the Expediency and Practicability of Improving or Creating Home Markets for the Sale of Agricultural Productions and Raw Materials, by the Introduction and Growth of Artisans and Manufacturers," by George Tibbits, of New York. The writer quotes liberally from Smith and Say, showing their inconsistency of argument; and he attempts to show from their writings—as well as from those of Ricardo—the indispensable necessity of manufactures to the landed interest, to the internal and external commerce of the country, to the revenue from duties on imports, and to the political consideration, strength and power of the government. A series of letters entitled "Outlines of American Political Economy," were addressed by Frederick List, formerly professor of Political Economy at the University of Tübingen in Würtemberg, to Charles J. Ingersoll, vice-president of the Pennsylvania Society for the Promotion of National Industry. At the time of writing these letters, Professor List was residing at Reading, Pa. His attention being drawn to the subject of the Harrisburg Convention—soon to assemble—he voluntarily addressed the series of letters to Mr. Ingersoll. He began by saying:

After having perused the different addresses of the Philadelphia Society for the Promotion of National Industry, the different speeches delivered in Congress on that subject, etc., it would be but arrogance for me to attempt a further supply of matters so ingeniously and shrewdly illustrated by the first politicians of the nation.

I confine my exertions, therefore, solely to a refutation of the theory of Adam Smith & Co., the fundamental errors of which have not yet been understood so clearly as they ought to be.

I am disposed to assail the main pillars of the system of Messrs. Smith & Say, leaving the task of attacking less essential points to those who feel disposed to overthrow the whole building. As these theorists confounded Cosmopolitan principles with Political principles, so they entirely misapprehend the *object* of Political Economy. This object is not to gain matter—as it is in Individual and Cosmopolitan Economy—it is to gain *production* and *political power*, by means of exchange with other nations; or to prevent the depression of production and political power by restricting that exchange. They (the theorists) treat, therefore, primarily of the effects of the exchange of matter, instead of treating of productive power.

The Harrisburg Convention.

We now come to the famous Harrisburg Convention of agriculturists, manufacturers, and others friendly to the encouragement and support of the domestic industry of the United States, which convened at the Capitol at Harrisburg, on Monday, July 30, 1827. Delegates were present from all the New England States, except Maine, which sent a letter, from the Middle States as far south as Virginia, and from Kentucky and Ohio. Prominent among the delegates from Pennsylvania were Mathew Carey and Charles J. Ingersoll. This convention had been recommended by and was largely due to the efforts of the Philadelphia Society for the Promotion of National Industry. Early in the session the following resolutions were unanimously adopted:

Resolved, (1) That a committee of nine persons be appointed to inquire into, and submit to the Congress of the United States at the next session thereof, such facts as they may be able to collect tending to show the injurious effects on domestic industry of the existing revenue laws of the United States. (2) That a similar inquiry be made in relation to the effect of domestic manufactures upon the navigation and commercial interests of the country.

Among the results of this convention were the issuing of an address to the citizens of the United States, accompanied by numerous statistical tables, and the submitting of a memorial to Congress containing a schedule of tariff duties satisfactory to the convention. The suggestions related specifically to wool and woollen goods, with incidental mention of iron, flax, hemp, cotton, and distilled spirits. The outcome was the tariff law of 1828 in favor of which petitions and memorials without number were poured into Congress from nearly every State in the Union, prior to its passage. We have now seen how the idea of protection to American industries—once the demand of a few manufacturers, and almost unheeded in the halls of Congress—had grown in the minds of the people till it had lost itself in the larger and grander conception of an “American System.” In the words of Professor List: “American common sense had at last made a system of Political Economy of her own, and for herself, and had sent the founders of the pseudo-Cosmopolitical system to the Westminster Abbey of the science.”

The postponement of the tariff question in 1820 was a severe disappointment. In 1822 another attempt was made to increase the duties but was not carried through. In 1823, however, the demand of the country was so great that it could no longer remain unheeded and a bill largely increasing duties became a law and went into effect July 11, 1824. Protection to home industries became the issue of the campaign following and John C. Calhoun then the leading champion of a protective tariff was on all four tickets as the candidate for Vice-President. Henry Clay advocated the "American System" far and wide, but Daniel Webster was as yet in favor of low duties. In fact most of New England, save Rhode Island and Connecticut, was opposed to the bill of 1824, being fearful that it would injure its shipping interests. But the effect of the law was so instantaneous and beneficial that all New England was soon in favor of still higher duties and the South alone remained favorable to free trade. It was at this period that sectional feeling began to grow into a flame. The growth of manufactures in the North only served to increase the feeling there in favor of protection. In the South the planters becoming jealous and fearing that their fast increasing cotton trade would be injured listened to the dogmas of English writers, dogmas that England would not then listen to or heed herself, but seeing her opportunity to foment discord in the South, did so and most effectually. For three years following the tariff of 1824 every trick of trade in which she has ever been most adept was resorted to by England to break down our industries. But at this time the attempt was unsuccessful. The country was daily acquiring a home market, the foundation of the now well-developed system. The greatest activity prevailed, and best of all, a large rise in wages took place which increased the spendable income of the people and added to the value and stability of the home market. The tariff of 1824, however, was full of defects, particularly the ad valorem rates which resulted in undervaluations and fraudulent invoices to the great injury of domestic industries. The people were then prepared for the "highest and most protective tariff ever adopted," as Horace Greeley termed it, the tariff of 1828. This measure received the support of Martin Van Buren, Richard M. Johnson, John H. Eaton, Thomas H. Benton, Silas Wright, Jr., James Buchanan and William Hendricks, the most prominent and influential Democratic leaders of the Northern and border States. It matters not that it was called by its enemies "the Tariff of Abominations." It gave a still further impetus to the country's prosperity. It gave more employment to the people. It gave higher wages to the laborer. It gave wealth and wonderful growth to the nation. The era following 1824 was one of great progress and benefit. Says Henry Clay in 1832: "If the term of seven years were to be selected of the greatest prosperity which this people have enjoyed since the establishment of the present constitution, it would be exactly that period

*Tariff
of 1824.*

*Good
effects of
protection.*

of seven years which immediately followed the passage of the tariff of 1824."

In 1832 a so-called modifying bill was passed but the thoroughly protective features of the bills of 1824 and 1828 were not materially changed. In only two years previous to 1825 had the balance of trade been in our favor. In the year following the tariff of 1824 as well as in 1827, 1829 and 1830 our exports exceeded our imports. The public debt had rapidly disappeared, having been reduced from \$90,000,000 in 1824 to \$7,000,000 in 1833, and was practically cleared off in the two years following. In 1830-31 the revenues so exceeded the expenditures as to leave a surplus in the treasury. It is difficult to show the effect of the tariffs of 1824 and 1828 upon our industries as completely as can be done in these days. No census previous to 1840 gave any complete returns. From Macgregor's "Commercial Statistics," however, we can learn the following: The value of cotton manufactures in 1831 amounted to \$32,036,760, the exports being \$1,126,313. Our total exports of manufactures amounted to \$7,147,364 in 1831. The number of sheep in 1831 was 20,000,000. The quantity of wool produced was about 50,000,000 pounds. The woolen manufactures of that time amounted to about \$10,000,000; flax and hemp manufactures to about \$6,000,000. Leather and leather manufactures to about \$16,000,000; cabinet ware, \$10,000,000; paper, \$6,000,000; soap and candles, \$10,000,000. Regarding the production of iron the following will show the increase from 1810 to 1832:

	Tons of Iron Produced.
1810, ...	54,000
1821, ...	The industry was ruined.
1828, ...	130,000
1829, ...	142,000
1830, ...	165,000
1831, ...	191,000
1832, ...	200,000

The country made wonderful strides during the operation of the protective tariffs of 1824 and 1828. From the ruin and distress of 1820 we had again become a prosperous nation in 1830. The American system was developing fast. The home market was becoming year by year of greater proportions. Wages had advanced and the American laborer was even then enjoying a condition unknown elsewhere. But amidst all this prosperity and national advancement there was slowly arising a sentiment that was destined to play a most important part in the nation's history.

CHAPTER II.

LOW TARIFFS, 1833 TO 1860.

The campaign of 1828 had been a bitter one and productive of intense feeling. Some of the features of the campaign were unique. Both candidates, John Quincy Adams and Andrew Jackson, were accused of not being strong enough protectionists. Mr. Adams, though a thorough protectionist, had not been aggressive enough to satisfy even many of his own friends. Jackson's letter to Coleman was quoted far and wide and he was hailed as the great champion of the "American System." John C. Calhoun, who was the vice-presidential candidate on the ticket with Jackson, had for some time shown a leaning toward free trade, and Jackson no doubt gained the electoral vote of South Carolina because of Mr. Calhoun. The election, however, was a thorough triumph for protection and Mr. Jackson became the seventh of an unbroken line of presidents who advocated and supported a protective tariff. In 1830 a small surplus existed in the treasury and it became a matter of no little concern to the administration. Free traders have always shown hostility to a surplus. An increasing debt, an empty treasury, an issue of bonds are satisfactory conditions to a free trader's mind; but a diminution of debt and a surplus of revenue is cause for the deepest concern. The free traders of South Carolina under the leadership of George McDuffie, were now muttering about the unconstitutionality of the tariff. It was the first time the issue had been raised since the adoption of the constitution and the passage of the first tariff law in 1789. Ex-President Madison had declared as late as 1828, eleven years after the close of his presidential term, that "A further evidence of the constitutional power of Congress to protect and foster manufactures by regulations of trade (an evidence that ought itself to settle the question), is the uniform and practical sanction given to that power for nearly forty years."

The campaign of 1828.

Mr. Jackson met the issue squarely. In his message of 1830, he said:

President Jackson's position.

Among the numerous causes of congratulation, the condition of our impost revenue deserves special mention, inasmuch as it promises the means of extinguishing the public debt sooner than was anticipated, and furnishes a strong illustration of the practical effects of the present tariff [that of 1828] upon our commercial interests. The object of the tariff is objected to by some as unconstitutional; and it is considered by almost all as defective in many of its parts. The power to impose duties on imports originally belonged to the several States. The right to adjust these duties with a view to the encouragement of domestic branches

of industry, is so completely identical with that power, that it is difficult to suppose the existence of the one without the other. The States have delegated their whole authority over imports to the general government, without limitation or restriction, saving the very inconsiderable reservation relating to the inspection laws. This authority having thus entirely passed from the States, the right to exercise it for the purpose of protection does not exist in them; and consequently, if it is not possessed by the general government, it must be extinct. Our political system would thus present the anomaly of a people stripped of the right to foster their own industry, and to counteract the most selfish and destructive policy which might be adopted by foreign nations. This surely cannot be the case; this indispensable power, thus surrendered by the States, must be within the scope of the authority on the subject expressly delegated to Congress.

In this conclusion, I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

*Growth of
sectional
feeling.*

But the free trade party of South Carolina was becoming more and more hostile to the tariff, and sectional controversy and strife were imminent. In December, 1831, as soon as Congress convened, the battle of words began. The tariff of 1832, intended as a conciliatory measure, failed of its object, and the feeling in certain portions of the South became more and more bitter. Whether it was due to a jealousy of the North and its prosperous manufactures, or to the fear that the now rapidly growing cotton industry of the South would suffer, or to the influence of England, can hardly be stated; probably all three causes added to the flame. The speech of Robert Y. Hayne in 1830, denouncing the whole revenue system and attacking the administration, was well replied to by Mr. Webster, but the fight went on.

Mr. McDuffie had been appointed chairman of the Ways and Means Committee in 1832, and his influence was far-reaching. The report made by the committee was the first attempt to give recognition to an organized free trade party in the United States. Much was said about foreign markets being the natural markets for the cotton-growing States and a specious plea was made for the "free intercourse of the Southern planters with their natural markets abroad." To show the animus of the report the following will suffice:

It would be worse than voluntary blindness in those to whom the rights, the interests, and the destinies of the Southern people, are, in an especial manner, committed, not to perceive and give warning of the inevitable doom that awaits them if that protecting policy which impoverishes and destroys one branch of industry to enrich and sustain another be not utterly and absolutely abandoned. This Congress should adopt no halfway measures, no temporary expedients, but "reform it altogether."

*Nullifica-
tion.*

The sectional feeling was now growing day by day and had already assumed most dangerous proportions. The administration, however, was well supported. Mr. Adams, who had been defeated by Jackson in

1828, was now at the head of the Committee on Manufactures, and made a report completely answering the free traders. While Mr. McDuffie, who had supported Jackson, was now his bitterest enemy and lost no opportunity to assail the administration, which, however, was sustained. The pending bill was passed by a vote of 132 yeas to 60 nays in the House, and 32 to 16 in the Senate. This was a thoroughly protective tariff and was intended as such, though a few concessions were made to appease the now rabid free traders of the South. The year 1832 was a memorable one indeed. The debate on the tariff had been acrimonious and productive of bitter hatred. The campaign followed in which Jackson and Clay were the opposing candidates for the presidency. Martin Van Buren became the candidate for vice-president with Jackson, Calhoun having joined the free traders. The electoral votes of the cotton States, except those of South Carolina, were given to Jackson and Van Buren. The storm now burst in all its fury. As soon as the election of Jackson was announced, the free traders of South Carolina met in convention on the nineteenth of November, 1832, and declared that "the tariff acts of 1828 and 1832 were unconstitutional, null and void and not binding on the State, its officers or its citizens," and that it should be unlawful for any officer of the State or the United States to collect the duties within the limits of South Carolina. They went still further and declared that any attempt of Congress to enforce the laws would be inconsistent with the longer continuance of South Carolina in the Union, and further, the Legislature declared that military resistance should be made if necessary. The events of this time show in a marked degree the influence of a few strong leading men. The active free traders of South Carolina were but a handful compared with the masses. The politicians managed the affairs of the State. They were a band of free trade slaveholders and men of wealth and influence, who to further their own ambitions sacrificed the interests of the people, beginning in nullification and ending in secession. It was indeed a trying situation for Jackson and his administration. No man was ever endowed with more patriotism, with a greater love for his country than Andrew Jackson. He was reluctant to depart one iota from the protective policy that had grown into an American system and had given such impetus and prosperity to the nation. On the other hand, he wished to avoid disunion. There seemed one outlet of escape, viz., through concession and compromise. In the interests of harmony Jackson practiced the utmost patience and forbearance. He was willing to grant concessions, to advocate compromise, for the sake of peace, and it ill becomes any writer removed by two generations, to criticise the motives that influenced the mind of Andrew Jackson to depart from its supposed settled convictions. And yet in the light of later events it is certain that he made a grievous error. Firmness gave way to kindness. A determined purpose was

*South
Carolina.*

supplanted by a desire for peace at any cost. The free traders would not accept the offers of concessions. They wanted free trade and nothing else. That sectional hatred was at the bottom of this demand, cannot be doubted. In fact, it was not only manifest but outspoken. The cry of "robber baron" had not then been invented but the prosperous Northern manufacturer was an object of envious enmity and must be crushed. The concessions already made only whetted their appetite for more. They were not satisfied with a part, they must have the whole. And they obtained it. What produced the result concerns us not so much as the result itself. The administration was willing from the first to reduce the revenue to provide against an increasing surplus. The least the free traders would accept was a horizontal tariff of about 15 or 20 per cent. They knew that would serve their purpose as well as the abolition of all duties. A law was framed considerably modifying that of 1832, but it was not satisfactory to the nullifiers and an open rupture was threatened and seemed likely to take place at once, but Henry Clay came to the rescue, if rescue it can be called, and introduced and defended the famous compromise law of 1833.

*The compromise
tariff of
1833.*

The tariff of 1832 was taken as a basis. It was then provided that all duties exceeding 20 per cent were to be reduced by 10 per cent January 1, 1834, by another 10 per cent January 1, 1836, another 10 per cent January 1, 1838, and another 10 per cent January 1, 1840, that on January 1, 1842, one-half of the duties remaining over 20 per cent were to be taken off and the remaining excess on July 1 of the same year. So that after July 1, 1842, there would be a uniform duty of 20 per cent. This act was finally accepted and the free traders professed to be satisfied. War and bloodshed had been averted for the time, but national ruin and disaster were to come instead, while war itself was only postponed.

The tariff of 1832 practically remained in force till the close of Jackson's term, though the effect of the first reduction of the act of 1833, was more or less severe. It should be stated that both Jackson and Clay expected that if any disastrous consequences should follow the reductions the law could be at once amended. Their chief aim was to preserve the Union and pacify the nullifiers, but they intended to maintain the American system by restoring the duties after a few years had passed. The effect of the new act was first felt on the revenues. In 1833 revenues from customs were \$29,032,529; in 1834 only \$16,214,957, a falling off of nearly \$13,000,000 in one year. The revenues from public lands, however, served to augment the customs revenue enough to meet the expenditures of the government, and as the effect on the country at large was not yet ruinous, Jackson left office with a national debt extinguished and the national finances in good condition. But soon came the effect of the second reduction, and with the third reduction came disaster and ruin. The country has probably never passed through such a disastrous panic

as that of 1837. Mr. Van Buren entered upon his term of office March 4 of that year, and was at once obliged to convene Congress in special session. The revenue was now insufficient to meet the wants of the government. Banks were suspending, factories were shutting down, labor was everywhere idle and the wages of the few employed cut down to one-half and less.

*The panic
of 1837.*

Mr. Van Buren was blind to the true state of affairs and still more so to their causes. The jubilant free traders were maintaining that the tariff law of 1833 was irrevocable and were hailing the breakdown of Northern manufacturing interests with unconcealed joy. Southern men now began to talk openly of secession. McDuffie had been elected governor of South Carolina and at once fanned the growing flame of discontent by expressions like the following:

*Injurious
effects of
the com-
promise
of 1833.*

However they may be amalgamated in the crucible of an executive proclamation or of speculative theory, history bears testimony that the States are, in point of fact, distinct and separate communities, mutually independent of each other, and each possessing the inherent and underived attribute of sovereignty. Not only are they separated geographically, and by a distinct and independent political organization, but they are still more practically separated by the diversity of their staple productions, creating a direct and irreconcilable conflict of interest between the exporting and the manufacturing States, as decided as ever existed between any two independent nations, ancient or modern. It is, for example, the undoubted interest, as it is the sacred right of the planting States, to exchange their staples for the manufactures of Europe, free from every obstruction or incumbrance.

Here is a repudiation of the accepted compromise, a reopening of the question of nullification, a declaration of State sovereignty and a suggestion of secession. It was no longer confined to South Carolina. It was spreading throughout all the cotton-growing States. The seed of sectionalism and free trade had begun to bear fruit. By threat and bravado they had gained one victory, they were now preparing to attempt another. The sacrifice of 1833 meant as a peace offering was simply an added torch to light the future fires of secession and rebellion. Better by far would it have been had the conflict been entered into at once. Compared with the events of 1861-5 it would have been but trifling. There is no language adequate to picture the extent of that profitless sacrifice, to describe the effect of the compromise of 1833. The following from a speech delivered before the Chicago Philosophical Society in 1882, by Van Buren Denslow, is an apt description of the prevailing conditions:

The act was as complex and multitudinous in its effects as it was simple and child-like in its provisions. It deranged the industrial future of every man, woman and child in the United States. What it said could be written on one's thumb nail. What it did, no human hand could write. Ruin flew to every fire-side on the fascinating wings of cheapness; famine stalked into every household, leering under the drunkenness of inflation, yet griped with the sharp pangs of hunger. One flood of imports destroyed our manufactures; their sales on credit

ruined our merchants, and the merchants then destroyed our banks; and yet, while the whole people were remitted to farming in the years of 1838 to 1842, we were importers of food. The planter pointed to the starving free laborer and mocked at him, because he was less comfortable than the slave.

Colton, in his life of Henry Clay, after referring to the period following the tariff of 1816, says:

The revulsion of 1837 provided a far greater havoc than was experienced in the period above mentioned. The ruin came quick and fearful. They were few that could save themselves. Property of every description was parted with at prices that were astounding, and as for currency there was scarcely any at all. In some parts of Pennsylvania the people were obliged to divide bank notes into halves, quarters, eighths, and so on, and agree from necessity to use them as money.

The supremacy of cotton.

But it is unnecessary to pile up testimony of this kind. There has been no period in our history like it and none approaching it save that of twenty years afterward under another and different free trade tariff. Cotton now became king, and Martin Van Buren bowed low to the sovereign. From 1830 to 1833 the annual production was about 1,000,000 bales. In 1838 it had reached 1,800,000 bales, and in 1840 it was nearly 2,200,000 bales. Our exportations increased from 270,000,000 pounds in 1831 to 718,000,000 pounds in 1839, nearly threefold. This in itself was most gratifying, but cotton was made lord over every industry in the land. It was forgotten that we had other agricultural products, or should have, and yet with the resources to feed the world we were actually being fed by foreign countries. For the first time in our history we had a President hostile to the best interests of his country. The most charitable thing that can be said of Martin Van Buren is that he was weak. If he was not a free trader at heart he was thoroughly under the influence of free traders. When speaking of our agricultural interests he had in mind only one product, cotton. His weak, almost criminal course, was thoroughly rebuked in 1840, when he received only sixty out of the two hundred and ninety-four electoral votes cast, the sixty of course including South Carolina. It was a mistake to suppose as Mr. Van Buren pretended to at least, that the tariff of 1833 could not be repealed before the horizontal scale of 20 per cent was reached. In fact, both President Jackson and Mr. Clay, as well as all who helped pass the bill had that very thought in mind that it could be changed at any time if necessary. But no change was made, and when William Henry Harrison was elected in 1840, he found a country with only a total of \$370,000,000 in manufactured products of which over \$110,000,000 was the product of grist mills, saw mills and the leather industry. We had made but little if any advance in the decade. We had less sheep and less wool in 1840 than in 1830. There was as yet little attempt at any form of iron making. Our textiles advanced but little. Our agriculture, our manufactures and all industry, were sacrificed that the growers of cotton might have free trade with

British manufacturers. Our imports of goods that we should have made ourselves exceeded \$100,000,000 annually. They would have far exceeded this amount had we been able to buy and pay for them. We were exporting about \$8,000,000 worth of manufactured goods, more than one-quarter of which was cotton goods. Our only real material advance in ten years was the growing and exportation of cotton itself.

General Harrison became the President of a country with credit impaired, with ruined industries and an impoverished people. Some means of relief must be found and it could come only through a change in the tariff. A special session of Congress was called, but Mr. Harrison died before it assembled. Mr. Tyler, who succeeded, was another Van Buren. He too had the opinion that the act of 1833 could not be changed till all its provisions had expired. During Van Buren's term the expenditures of the government had exceeded the income by over \$30,000,000. The treasury was in an exhausted condition. The compromise tariff had not only failed to protect our industries, but was unsuccessful as a revenue measure. In 1840 an attempt was made to place a loan abroad but it failed. The government was then offered a paltry quarter of a million at from 8 to 32 per cent interest, and yet seven years before the treasury had an annual surplus. The condition of the government was deplorable indeed, but the condition of the business houses and individuals was far worse if possible. The "American Almanac" estimated the loss in six leading lines of trade at \$785,000,000; 34,000 merchants failed with net liabilities of \$440,000,000 and 50,000 more settled at a loss of nearly \$300,000,000. That was Democracy and free trade. They were mated and wedded in 1833. They have never been divorced. Though no change was thought of by Tyler during 1841, in March, 1842, he sent a special message to Congress, wherein he said:

*Tyler's
adminis-
tration.*

The diminution in the revenue arising from the great diminution of duties under what is called the Compromise Act, necessarily involves the treasury in embarrassments, which have been for some years palliated by the temporary expedient of issuing treasury notes—an expedient which, affording no permanent relief, has imposed upon Congress, from time to time, the necessity of replacing the old by new issues.

The condition of affairs could continue no longer. Free trade was a failure and worse than a failure. Tyler issued another message only three weeks after the one referred to, urging Congress to action and yet when Congress passed a tariff bill it was vetoed by the President. From some source he had picked up the term "incidental protection," probably from Jackson, though his understanding of the meaning intended to be conveyed by Jackson was slight indeed. Again a tariff bill was passed and again it was vetoed, but this time the bill was passed over the President's veto and became a law. It provided for both revenue and protection and was a positive success. Its effect was instantaneous. First

*The tariff
of 1842.*

*Effects of
the tariff
of 1842.*

came confidence. Then the fires were lit, the wheels began to revolve and the industries and business of the country improved daily. Not only that, but the treasury gained relief at once. The customs receipts for the year ending June 30, 1843, were \$25,234,750, as against \$14,487,216 for the previous year under the compromise tariff. Under the free trade tariff there had been a steady decrease of revenue. Under the protective tariff of 1842 there was a steady increase of revenue, and this too in the face of a most decided falling off in certain imports as can be seen from the following values of imports into the United States for the full years 1841 and 1842 and for nine months of 1843:

	Cottons.	Woolens.	Silks.	Iron and Steel.	Linens, etc.	Specie and Bullion.
1841	\$11,757,036	\$11,001,939	\$15,511,009	\$4,255,966	\$6,846,807	\$4,988,633
1842	9,578,515	8,375,725	9,448,372	3,572,081	3,659,184	4,807,016
1843 ¹	2,958,166	2,252,895	1,136,268	734,737	1,484,921	22,320,335

In 1844 Henry Clay and James K. Polk were the Presidential candidates, and the tariff question became a leading issue. The tariff of 1842 had been made distinctly protective. Not only had duties been raised but ad valorem rates had been changed in many instances to specific. The committee which had framed the bill showed that the balance of trade had been \$200,000,000 against us during seven years. "All branches of industry are paralyzed," said the report, but perhaps the most interesting point made was the difference between our tariff and the tariffs of foreign countries. On our products valued at \$91,000,000 in Europe, duties were levied to the amount of \$113,000,000 while on products which we imported to the amount of \$73,000,000 our duties were only \$17,000,000.

*Election
of 1844.*

It can readily be seen that the protectionists of 1844 had something to talk about that was based on actual conditions. Mr. Clay was considered a protectionist though his connection with the Compromise Act lost him many friends who thought he had conceded too much. But he had now fully realized his mistake and was an earnest advocate of the principles of a protective tariff. In a speech made during the canvass he said:

Let the amount which is requisite for an economical administration of the government, when we are not engaged in a war, be raised exclusively on foreign imports; and in adjusting a tariff for that purpose, let such discrimination be made as will foster and encourage our domestic manufactures. All parties ought to be satisfied with a tariff for revenue, and discrimination for protection.

On the other hand Mr. Polk was a free trader at heart though not an outspoken opponent of protection. He was in thorough sympathy with

¹ Nine months only can be given, as Congress changed the end of the fiscal year from September 30 to June 30.

the free traders of the South, but the electoral vote of Pennsylvania was necessary, and Mr. Dallas, a professed protectionist, was put on the ticket with Polk. In the North was heard the cry, "Polk, Dallas and the Tariff of '42." In the South it was changed to "Polk, Dallas and free trade." The campaign and election of Polk was the greatest fraud, the most stupendous imposition ever perpetrated in American politics. First Polk entered into an intrigue with the Southerners, satisfying them that he would carry out their wishes. In Pennsylvania and other parts of the North he posed as the friend of protection. Such a course could not succeed in these days but it must be remembered that 1844 was not an age of the telegraph, railroad and press, as they exist to-day. It took weeks for information to travel long distances, and the fraud was not discovered till too late. That deceit was intended is evident from the celebrated Kane letter written by Polk from which the following extract is taken :

*Polk's dis-
ingenuous-
ness.*

I am in favor of a tariff for revenue, such a one as will yield a sufficient amount to the treasury to defray the expenses of the government, economically administered. In adjusting the details of a revenue tariff, I have heretofore sanctioned such moderate duties as would produce the amount of revenue needed, and at the same time afford reasonable incidental protection to our home industry. I am opposed to a tariff for protection merely, and not for revenue. Acting upon these general principles, it is well known that I gave my support to the policy of General Jackson on this subject.

In my judgment, it is the duty of the government to extend, as far as it may be practicable to do so, by its revenue laws and all other means within its power, fair and just protection to all the great interests of the whole Union, embracing agriculture, manufactures and the mechanic arts, commerce and navigation.

And yet this very man had only one year before while running for the office of Governor of Tennessee expressed himself as follows, in a circular letter distributed throughout the State:

I have steadily, during the period I was a representative in Congress, been opposed to a protective policy, as my recorded votes and published speeches prove. Since I retired from Congress I had held the same opinions. In the present canvass for Governor I have avowed my opposition to the Tariff Act of the late Whig Congress, as being highly protective in its character and not designed by its authors as a revenue measure. I had avowed my opinion in my public speeches, that the interests of the country—and especially of the producing and exporting States—required its repeal, and the restoration of the Compromise Act of 1833.

The two extracts given show the man fully. But a Presidency was at stake, and to be honest meant defeat. He is said to have spent forty days in penning the famous Kane letter, and no doubt weighed well every sentence. It was a mass of ambiguity, skillful evasion and meaningless assertions. Not satisfied with this, however, reports were circulated in the North by the Democrats to the effect that Clay was not as sound a protectionist as he should be and if elected would advocate the repeal of

the tariff of '42. The result was very close, Polk having a popular plurality of only 38,185 votes in a total of 2,698,611. If a portion only of the votes given to James G. Birney had been given to Clay the electoral vote of New York would have been counted for Clay instead of Polk and elected the former. It is by such narrow margins that the fate of the nation has more than once been decided.

However, Polk and Dallas were elected and we paid the cost. The perfidy of Polk cannot be too emphatically stated. He was fully aware of the intentions of those Southern leaders should they come into power. He knew they had abandoned no part of their free trade desires. That Mr. Polk gained his seat by dishonest methods cannot be gainsaid. His own historian admits as much, and of course his party friends and leaders were not ignorant of the deceit that was being perpetrated upon the people. The campaign has been dwelt upon for the reason that it was fraught with consequences most disastrous to the nation.

A large majority of the people in 1844 were protectionists and yet the free traders won. The attack upon our protective policy under which the country was then in a most prosperous condition was begun at once, and with new vigor by the free traders. Mr. Polk chose as his Secretary of the Treasury the distinguished free trader, Robert J. Walker, of Mississippi. His Attorney-General and Postmaster-General were also Southerners and free traders. The administration became as it was intended it should become, a sectional one. It was cotton against the rest of the country combined.

*The free
trade plan.*

Robert J. Walker was a most able man. The hour of complete triumph for free trade was at hand. The astute Secretary of the Treasury skilled in diplomacy and political warfare knew fully the ground upon which he was standing and the necessary steps to bring about the desired end. A report was prepared and presented which was as ingenious as it was disingenuous. It was a plea for agriculture and for a removal of all so-called restrictions. We were to feed the world with our food and clothe them with our cotton. He made the idea look plausible to some, though the theory was thoroughly exploded as it had been time and time again since the days of Washington. But England again came on the scene, and her statesmen found for the first time powerful allies in this country. The policy of the free traders in the United States was in entire accord with that of the free traders of England. They were to repeal their corn laws and buy our food, we were to repeal our protective law and buy her manufactures. It was a glorious vision, a millennium of universal prosperity, but withal the thinnest and most transparent bubble that ever floated in the air. Could we look upon the statesmen of that period as men in error instead of being influenced by sectional hatred the crime upon future generations would be no less, but in the light of later history we cannot even give them the benefit of a charitable doubt. Their crime

was too great, too far reaching in its effects, too awful in its consequences, to be condoned in the year 1896 when we are living under another free trade administration. Only a few of the readers of these pages can remember the changes of 1844 and 1846. They have but to substitute 1844 for 1892 and 1846 for 1894, and the story is told. In the midst of prosperity a change was made to free trade, a change brought about by deceiving the people. This is no idle assertion. James K. Polk, in 1844, and Grover Cleveland, in 1892, were elected through misrepresentation and deceit. Both were friendly to and received the undivided support of the Southern free traders. The election of both was followed by a free trade law and free trade calamity.

Before going on to the Walker tariff, or tariff of 1846, and its consequences, a glance at the benefits of a brief interval of protection in the midst of what was for the most part a period of free trade will be instructive. The year 1842 found us a bankrupt people. A large portion of the iron furnaces were closed, and the product was but a little more than 200,000 tons. In 1846 and 1847 the production was estimated by the Secretary of the Treasury at 800,000 tons, having quadrupled in four years. Till 1843 not a single ton of railroad iron had been made in this country, yet in 1845 under protection we made 50,000 tons, and in 1847, 100,000 tons. The consumption of coal in 1841 was less than 1,000,000 tons, in 1847 it was over 3,000,000 tons nineteen-twentieths of which was domestic mining. In 1843 our sheep numbered 19,000,000; in 1847, 27,000,000. Our woolen manufacturers used 48,000,000 pounds of domestic wool in 1842, and 67,500,000 pounds in 1847. The average number of bales of cotton annually used by our manufacturers from 1835 to 1842 was 263,000. In 1846-47 this had increased to 428,000 bales. The average production of lead from 1835 to 1841 was 298,000 pigs. In 1846 the production was 785,000 pigs. The shipping built in 1842-43 amounted to 91,000 tons. In 1848 it had increased to 316,000 tons. From 1835-41 the average number of steamers annually built was 92. In 1846 we built 225. How did our agriculture fare? In 1843 we exported 4,519,000 bushels of wheat and flour. In 1835-36-37-38 we had even imported over 5,000,000 bushels. Yet in 1847 we exported 26,312,000 bushels. With this increased exportation came an enormous increase of consumption at home, due to the demands of employed labor. The production of certain staples can be seen from the following, the figures for 1840 being from the census returns, those of 1847 being patent office estimates:

Industrial conditions before the adoption of the Walker tariff.

1840—Wheat, 84,823,000; barley, 4,161,000; oats, 123,071,000; rye, 18,645,000; buckwheat, 7,291,000; Indian corn, 377,531,000. Total, 615,522,000. 1847—Wheat, 114,245,000; barley, 5,649,000; oats, 167,867,000; rye, 29,222,000; buckwheat, 11,673,000; Indian corn, 539,350,000. Total, 868,006,000.

Let us look a moment at the sugar crop of Louisiana. In 1841 the number of pounds produced was 77,000,000; in 1848, 240,000,000.

These figures showing our great advance under the tariff of 1842 are taken from Henry C. Carey's "Harmony of Interests," p. 23, and are the most reliable that can be obtained for that period. Says Carey writing of this period:

The power of producing food thus kept pace with the power to apply labor and capital to the conversion of food and other raw materials into iron, cloth, and other commodities requisite for the use of man; and thus both kept pace with the tendency to the concentration of population. With every increase in the power of production, consumption grew, and the laborer received larger returns for his labor.

As an illustration of the folly of free trade and the benefits of protection in connection with this period which we are now examining, the following is given from Carey's "Harmony of Interests:"¹

Advantages of protection.

In 1839 we imported forty-three millions of yards of cotton cloths of various kinds, the consumers of which were customers to the planter to the extent of eleven millions of pounds of cotton, or less than 28,000 bales, being as much as would be worked up by twenty-eight mills of moderate size, or fourteen of larger size. To produce those mills in any single cotton-growing State would require no effort whatsoever, and when produced it would be found that they would be all profit, for it would be attended with not the slightest diminution in the amount of agricultural production. The laborers are there, and a large portion of their time is absolutely waste. The horses and wagons are there, to a great extent unemployed. The timber is there, encumbering the best lands of the plantation. The men and horses must be fed, and the wagons must be kept in order. Make a market for this waste labor, and the laborers will consume more food, but the chief increase of expenditures will be in clothing, thus making a market for cotton—in houses, making a market for stone and lumber—in furniture, for which lumber will be required—in books and newspapers, making a market for rags—and the cloth-makers, and carpenters, and masons, and cabinet-makers, and paper-makers, and printers, will want cloth, and shoes, and houses, making a further market for cotton and leather, and lumber and stone. Exchanging thus on the spot, each and every man would be a producer, whereas when exchanges are made at great distances, the transporters and exchangers are more numerous than the producers, and as consumption *must* go to the extent of production and *can* go no further, we may now see why it is that consumption tends to increase so rapidly when men work in combination with each other.

In four years we erected mills that worked up 300,000 bales of cotton, or eleven times as much as was contained in all the cloth imported in 1839. To have created treble that number would have required no effort, nor would it have been attended with any loss of agricultural products, for the labor was being wasted in every county of the South and West; and to carry them on would now be attended with no diminution in the product of food or cotton, for treble the labor required for a factory is now being wasted in almost every county of the Union, and in every one south of New England. To the labor-power of men and horses, and women and children, now absolutely unemployed, let us add the quantity that is wasted on the road, and to that let us add the manure now wasted on the road, and then we may form an estimate, but even then a very insufficient one, of the increased product that would have resulted from the creation of those mills. Let us then reflect that all these people are now fed, and that their surplus earnings would be applicable to the purchase of other things than food, and we may then see what would be the extent of the market thus made on the land for the products of the land.

¹ Page 45.

Meagre as are the statistics relating to the years under the tariff of 1842, enough has been given to show a wonderful change for the better as compared with the disastrous period just preceding under the compromise tariff of 1833. The result as affecting the finances of the government will be given in comparison with the effect of the tariff for the four years following 1846. To give an account of the birth of the Walker tariff is but to add another chapter to the fraud of 1844. The Southern free traders were now at the helm and though their acts were contested at every step they carried the day. Mr. Polk in his first message said:

The passage of the Walker tariff.

The attention of Congress is invited to the importance of making suitable modifications and reductions of the rate of duty imposed by our present tariff laws. The object of imposing duties on imports should be to raise revenue to pay the necessary expenses of government. Congress may, undoubtedly, discriminate in arranging the rates of duty on different articles; but the discrimination should be within the revenue standard, and be made with a view to raise money for the support of the government.

Here was a surrender at the outset to the free traders and a repudiation of the Kane letter. He was ably seconded by his secretary of the treasury and the tariff of 1846 became a law. Only one incident connected with its passage need be noted. It passed the House by a vote of 114 to 95. The vote in the Senate was a tie. Mr. Dallas, the "protectionist" from Pennsylvania, who had been elected as such, who had himself endorsed the cry of "Polk, Dallas and the Tariff of '42" in the campaign, gave the deciding vote that made this iniquitous bill a law. Thus was consummated the fraud of that campaign and election. The passage of the tariff bill had been fought at every step. Perhaps the greatest speech made was that of Daniel Webster during the three days July 25, 27 and 28. As the speech abounds so in economic truths and as free traders delight in quoting from the early speeches of the great Massachusetts statesman, a considerable extract from the speech is here given:

But, sir, before I proceed further, I will take notice of what appears to be some attempt, latterly, by the republication of opinions and expressions, arguments and speeches of mine, at an earlier and a later period of my life, to place me in a position of inconsistencies on this subject of the protective policy of the country. Mr. President, if it be an inconsistency to hold an opinion upon a subject of public policy to-day in one state of circumstances and to hold a different opinion upon the same subject of public policy to-morrow, in a different state of circumstances, if that be an inconsistency I admit its applicability to myself. You indulge in the luxury of taxing the poor man and the laborer! That is the whole tendency, the whole character, the whole effect of the bill. One may see everywhere in it the desire to revel in the delight of taking away men's employment. It is not a bill for the people or the masses. It is not a bill to add to the comfort of those in middle life, or of the poor. It is not a bill for employment. It is a bill for the relief of the highest and most luxurious classes of the country, and a bill imposing onerous duties on the great industrious masses, and for taking away the means of living from labor everywhere throughout the land. The interest of

Webster's speech.

every laboring community requires diversity of occupations, pursuits, and objects of industry. The more that diversity is multiplied or extended the better. To diversify employment is to increase employment and to enhance wages. And, sir, take this great truth; place it on the title page of every book of political economy intended for the use of the government; put it in every farmer's almanac; let it be the heading of the column in every mechanic's magazine; proclaim it everywhere, and make it a proverb, that where there is work for the hands of men there will be work for the teeth. Where there is employment there will be bread. It is a great blessing to the poor to have cheap food, but greater than that, prior to that, and of still greater value, is the blessing of being able to buy food by honest and respectable employment. Employment feeds and clothes and instructs. Employment gives health, sobriety and morals. Constant employment and well-paid labor produce in a country like ours general prosperity, content and cheerfulness. Thus happy have we seen the country. Thus happy may we long continue to see it. I hope I know more of the Constitution of my country than I did when I was twenty years old. I hope I have contemplated its great objects more broadly. I hope I have read with deeper interest the sentiments of the great men who framed it. I hope I have studied with more care the condition of the country when the convention assembled to form it. And now, sir, allow me to say that I am quite indifferent, or rather thankful, to those conductors of the public press who think they cannot do better than now and then spread my poor opinions before the public.

But the bill became a law and protection was abandoned. The new law went into operation December 1, 1846, and the "golden era" of free trade began. In some senses it was at first a golden era, but the gold came from California, not from Congress, and it all went to England as fast as we could mine it. We saw it, even felt of some of it, but we did not use it except to pay our debts to foreign countries. But even all the vast amount of gold dug out of the mines of California in the years from 1846 to 1860 was not sufficient for this purpose. In examining this period of free trade it will be well to divide it into three or four parts. First taking the four years 1847-48-49-50 and comparing these years with the four years under the tariff of 1842, a most significant result is seen. The imports and customs revenue during these two periods were as follows:

*Effects of
the tariff of
1842 and of
the Walker
tariff com-
pared.*

	Dutiable Imports.	Duties.	Per cent.	Receipts.	Expenditures.
Four years of tariff of '42,	\$309,178,151	\$97,109,411	33	\$97,109,411	\$80,220,444
First four years of Walker tariff, ...	517,963,037	123,920,411	24½	123,920,411	176,128,155

Thus it will be seen that the excess of receipts over expenditures in the protection period was \$16,888,967, while during the first four years of free trade the deficit was \$52,108,144.

So much for the revenue. How did the national debt fare? The following table will show:

1843, ...	\$32,742,922
1846, ...	15,550,202
1847, ...	38,826,534
1850, ...	63,452,773.

During the four years of protection it was reduced by \$17,192,720. The first year of free trade increased it not only by this amount but by \$6,083,612 more and in the four years it had increased \$47,902,571. One year of free trade more than wiped out the reduction of four years of protection. How did cotton fare? In 1845 the last full year of protection the exportation was 2,072,000 bales. In 1847 the first year of free trade the exportation had fallen to 1,241,000 bales. The price fell from \$35 to \$27. The loss in exportation was 831,000 bales or in value to the amount of \$29,000,000 at the price in 1845, or \$22,000,000 at the price in 1847. We had surrendered everything to England and the South. For a single year it seemed as if we were to be rewarded. Whether the crops of Europe failed in 1847 to vindicate the tariff of 1846 or whether the tariff of 1846 had the effect of bringing about failure in foreign crops, is left for the free trade advocates of the "golden era" to determine. The crops did fail, however, and for a single year the balance of foreign trade was in our favor. Such a result did not occur again for a decade and then but for a single year. It is hardly probable that the free traders in 1846 foresaw the failure of European crops in 1847. They should not then have the credit for the balance of trade for that year. The Mexican war broke out in 1846, by which we acquired California and New Mexico. Did the free traders of 1846 know of the gold hidden in the mines of California? Did the tariff of 1846 bring that gold to the surface? If not, they must not have the credit for the benefits derived. These benefits were many. The increased demand for transportation facilities made railroad building necessary and our mileage doubled in the six years following the discovery of gold though the total was small compared with the increase afterward under protection. This will be shown further on.

It would take too many pages to show in detail all the faults of the tariff of 1846, but there is one iniquitous feature that is too prominent to be overlooked. The act of 1842 framed, as all protectionist measures are, to promote the growth of domestic manufactures, increased the duties on finished goods and placed on the free list those raw materials which were required to be purchased in foreign countries and which were used in manufacturing, such as dye woods, dye stuffs, certain chemical products, etc. The most infamous feature of the act of 1846, and the one which exposes the enmity which existed in the minds of its framers against the industries of the country, is the manner in which it treated raw materials. Not satisfied with exposing this branch of production to ruinous competition under low duties, the struggle for existence was made more difficult by placing duties on those raw materials which could not be produced at home. This feature of the bill is contrary to the principles advocated by both protectionists and free traders. That it was an effort to strike down the manufacturing interests of the North is

*Duties on
raw ma-
terials.*

*Tariff of
the United
States and
Great
Britain
compared
in respect
to duties
on raw
materials.*

absolutely certain. No more definite means could have been adopted to accomplish this end.

In the same year the British tariff had been changed in a large degree, and as compared with the changes made by our free traders the comparison is most significant. The following table prepared by Mr. Edwin Williams in an article in Fisher's National Magazine for September, 1846, will illustrate the point to be explained:

	Tariff of 1842.	Tariff of 1846.	British Tariff.
Coarse wool, ...	5 per cent.	30 per cent.	free.
Raw hides and skins, ...	5 "	5 "	"
Wood, mahogany, etc., ...	15 "	20 "	"
Other kinds, except timber, ...	free.	30 "	"
Antimony, crude, ...	"	20 "	"
Barilla, ...	"	10 "	"
Bark of the cork tree, ...	"	15 "	"
Berries used for dyeing, ...	"	5 "	"
Brimstone or sulphur, ...	"	20 "	"
Dyewoods, ...	"	5 "	"
Ebony, ...	"	20 "	"
Cochineal, ...	"	10 "	"
Crude saltpetre, ...	"	5 "	"
Burr stones, unwrought, ...	"	10 "	"
Brass, old, ...	"	5 "	"
Gum arabic, ...	"	10 "	"
India rubber, ...	"	10 "	"
Kelp, ...	"	10 "	"
Kermes, ...	"	5 "	"
Precious stones, ...	7 per cent.	10 "	"
Pearl, mother of, ...	free.	5 "	"
Ivory, unmanufactured, ...	"	5 "	"
Madder, ...	"	5 "	"
Palm leaf, unmanufactured, ...	"	10 "	"
Rattan and reeds, unmanufactured, ...	"	10 "	"
Shellac, ...	"	5 "	"
Sumac, ...	"	5 "	"
Weld, ...	"	5 "	"
Tin, in sheets or plates, ...	2½ per cent.	15 "	"
Tin, in pigs, bars, or blocks, ...	1 "	5 "	"
Tortoise shell, ...	5 "	5 "	"

"We might extend this list," says Mr. Williams, "but enough is given to show the comparative legislation of the American and British governments, with regard to raw materials and other articles essential for the use of manufactures and in the arts. While the British parliament are removing all duties on articles required for the use of their manufactures, our American Congress have increased the burdens of our manufacturers, by additional duties on the raw materials imported for their use; at the same time they have reduced the protective duties. Was there ever a parallel case of injustice in the history of legislation in any country?"

"The plain truth is, and it is folly to attempt to conceal it, that the worst evil, the skill, capital, and labor of this country have to contend with, is its own present government, who, not content with demanding specie in all payments made to them by the people, have, by the enactment of the tariff of 1846, legislated against America, and in favor of England."

This was free trade legislation in 1846. Free trade legislation was somewhat different in 1894. Yet each and every act has been accompanied by the destruction of American manufactures and the degradation of the American laborer. In 1848 the Democratic platform declared:

That the fruits of the great political triumph of 1844, which elected James K. Polk and George M. Dallas, President and Vice-President of the United States, have fulfilled the hopes of the Democracy of the Union . . . in the noble impulse given to the cause of free trade by the repeal of the tariff of 1842, and the creation of the more equal, honest, and productive tariff of 1846; and that, in our opinion, it would be a fatal error to weaken the bands of a political organization by which these reforms have been achieved.

Zachary Taylor, however, defeated Lewis Cass, the Democratic candidate. Taylor lived but a short time and was succeeded by Millard Fillmore. Here is what President Taylor said in his first annual message:

I recommend a revision of the existing tariff and its adjustment on a basis which may augment the revenue. I do not doubt the right or duty of Congress to encourage domestic industry. I look to the wisdom and patriotism of Congress for the adoption of a system which may place home labor, at last, on a sure and permanent footing, and, by due encouragement of manufactures, give new and increased stimulus to agriculture and promote the development of our vast resources and the extension of our commerce.

President Fillmore expressed himself as follows in his message of 1851:

The value of our exports of breadstuffs and provisions, which it was supposed the incentive of a low tariff and large importations from abroad would have greatly augmented, has fallen from \$68,000,000 in 1847 to \$21,000,000 in 1851, with almost a certainty of a still further reduction in 1852. The policy which dictated a low rate of duties on foreign merchandise, it was thought by those who established it, would tend to benefit the farming population of this country by increasing the demand and raising the price of our agricultural products in foreign markets. The foregoing facts, however, seem to show, incontestably, that no such result has followed the adoption of this policy.

And now followed in rapid succession events which had great influence upon our home and foreign trade. The discovery of gold has been mentioned. Then the famine in Ireland, creating an abnormal demand for our flour, grain, potatoes and other products; various upheavals in Europe culminating in the Crimean war, continued the demand for our staples, giving us a temporary prosperity. It will hardly be contended, however, by the most arrogant free trader that the tariff of 1846, brought about either war or famine abroad, any more than it did the short crops, the Mexican war or the discovery of gold. Only by attributing all these results to the Walker tariff can we place any part of the temporary prosperity of those times to the credit of the free trade tariff under which they happened to occur. Even with all these extraordinary happenings

Temporary prosperity due to other causes than tariff legislation.

combining to give us most unusual advantages, the result was far different from that seen in protection periods with no outside causes contributing to our gain. The year 1854, however, brought an end to it all, and we were then thrown on natural resources and the workings of free trade were seen in their true light. During the first years of the decade the receipts from customs duties had equaled the expenditures, but this state of affairs ended with 1854, and debt and ruin came fast. From this time on until 1861 the condition of the national treasury, of business in general and of individuals grew worse and worse. The events of that time have been pictured time and time again. The following from the New York Tribune of January 15, 1855, written by Horace Greeley himself, has been quoted in many reviews of this period, but coming generations should read it over and over again and know just what free trade means:

*Effects of
free trade.*

Who is hungry? Go and see. You that are full fed and know not what it is to be hungry—perhaps never saw a hungry man—go and see. Go and see thousands, men and women, boys and girls, old and young, black and white, of all nations, crowding and jostling each other, almost fighting for a first chance, acting more like hungry wolves than human beings, in a land of plenty, waiting till food is ready for distribution. Such a scene may be seen every day between eleven and two o'clock around the corner of Orange and Chatham streets, where charity gives a dinner to the poor, and soup and bread to others to carry to their miserable families. On Saturday we spent an hour there at the hour of high tide. We have never seen anything like it before. Upward of a thousand people were fed with a plate of soup, a piece of bread and a piece of meat, on the premises, and in all more than sixteen hundred. On the same day one thousand one hundred and thirty portions of soup were dealt out from Stewart's "soup kitchen," corner of Reade street and Broadway. At the rooms on Duane street for the relief of the poor, on the same day, they gave food to two thousand two hundred and fifty-six. In the Sixth ward alone over six thousand persons were fed by charity on Saturday, January 13. And this is only one day in one ward. Meanwhile, scenes of a like nature are being enacted all over the city.

The cry of hard times reaches us from every part of the country. The making of roads is stopped, factories are closed and houses and ships are no longer being built. Factory hands, road makers, carpenters, bricklayers and laborers are idle. and paralysis is rapidly embracing every pursuit in the country. The cause of all this stoppage of circulation is to be found in the steady outflow of gold to pay foreign laborers for the cloth, the shoes, the iron and the other things that could be produced by American labor, but which cannot be so produced under our present revenue system. The convulsion would have come upon us sooner but for the extraordinary demand in Europe for breadstuffs, growing out of huge famines and big wars, and but for the dazzling and magnificent discovery of gold mines in California, by which hard money, sufficient to buy an empire, has been called into existence and exported to Europe. If we could stop the import of the foreign articles, the gold would cease to flow out to pay for them, and money would then again become more abundant, labor would then again be in demand, shoes, clothing, and other commodities would then again be in demand, and men would then cease to starve in the streets of our towns and cities. If it be not stopped the gold must continue to go abroad, and employment must become from day to day more scarce,

until where there are now many thousands we shall see tens of thousands of men everywhere crying: "Give me work! Only give me work! Make your own terms—my wife and children have nothing to eat!"

Shortly after this Mr. Greeley made a personal tour of the States to investigate for himself and everywhere he found the condition of the people the same. The West and South were appealing to the North for bread. The country was held in the vice-like grip of free trade, and gold was daily going abroad to pay for what we were buying and had bought. Said Hon. William D. Kelley in Congress, February 16, 1887, speaking of the causes that led to such a condition of affairs:

The decade that followed that year (1847) was a memorable one. . . . The potato rot decimated Ireland, affecting the other British islands, and spread to the continent of Europe, and we exported in one year the then unprecedented amount of \$68,000,000 worth of grain. . . . We imported and consumed immense quantities of foreign goods, and as the quantity of these increased, the demand for the labor of the American workman diminished. We imported coal for use in the manufactories and the propulsion of locomotives. We imported rails to lay over our coal fields and iron beds; wages fell to rates as low as they had been in 1820 and 1821, or in 1840 and 1841. California gold had fled from us as from a pestilence. We had nothing to show for our unusual exports of grain and provisions. . . . The resources of the government were shrinking monthly and its credit was again destroyed; and in little less than ten years from the going into effect of the revenue tariff of 1846 the entire banking system of the country collapsed. . . . The people were prostrated, and idle and discontented.

And yet in the face of all this the Democratic platform of 1856 contained the following: "That there are questions connected with the foreign policy of this country which are inferior to no domestic question whatever. The time has come for the people of the United States to declare themselves in favor of free seas and progressive free trade throughout the world." This was followed by the tariff law of 1857, still further reducing the duties. Franklin Pierce became President in 1853, and on the last day of his term, March 3, 1857, he signed the new tariff law. James Guthrie, of Kentucky, was Secretary of the Treasury, and Jefferson Davis, Secretary of War, both free traders, and both having unlimited power and influence in the administration.

At this time the slavery question had become the one absorbing subject of national importance. Every other question and issue was subordinate and sank into insignificance. Since the passage of the Missouri Compromise in 1820, which prohibited slaves from being held in the States and Territories north of the Mason and Dixon line, the controversy had grown with increasing interest. While public sentiment was steadily growing throughout the North and West against the institution of slavery it had not yet become so crystallized that the elements entertaining different views upon the best means of restricting its further extension or accomplishing its total abolition, had not been moulded into one party

*Southern
domina-
tion.*

strong enough to carry the country. There were the extreme abolitionists who believed that the question should never be allowed to rest so long as the institution remained. There were those of more moderate views who opposed its further extension and believed that it should be confined in the States where it had existed, and that the nation should wait patiently until the Southern people themselves became more enlightened on the subject. The fact that the people of the North, who to a greater or less degree were opposed to the institution, were divided into factions and could not unite on a common platform, left the pro-slavery party in control of the government. A sufficient number of Democrats in the North believing in the institution of slavery united with the South and made it possible for the Democratic party to control the executive and legislative branches of the government. Between 1850 and 1860 the South dominated the country. The vigorous agitation against slavery which was carried on by the abolitionists intensified sectional hatred. Hence the Southern leaders became more aggressive, bold and defiant. They repealed the Missouri Compromise in 1850, so that slavery could be carried into Kansas, Nebraska and the great Northwest, and in fact, into any State which might adopt it. The Fugitive Slave Law was also passed in 1850, which directed the return of slaves who had escaped from their masters and authorized and directed United States Commissioners in the North to compel their surrender without trial by jury, and commanded citizens of the North to aid in making arrests and the enforcement of the law. It has been pointed out by free traders that the acts of 1846 and 1857 were acceptable and satisfactory to the North and supported and concurred in by Northern representatives in Congress from manufacturing districts. The fact that members of the Democratic party of the North voted for these measures, when the political conditions of the times are taken into consideration, affords no evidence of benefits or satisfactory business results arising from this legislation. The South shaped and directed the policy of the Democratic party, made its platforms and dictated the legislation of the country, not only on the slavery question, but upon every other question. They also controlled the patronage, dealt out all offices, and members from the North were compelled to bow to Southern dictation and abide by party caucuses or become ostracized, stripped of political influence and humiliated. The social as well as the political influence of the Capitol was exacting and unrelenting in its enforcement of every principle championed by the South.

*The tariff
of 1857.*

Under these circumstances it is not difficult to discover the motives which led to the passage of the law of 1857. There was no excuse for it, on other than sectional grounds. The tariff of 1846 had failed even as a revenue measure, and increase of revenue could not be hoped for under further reduction, which included even the duties on luxuries. To recite the effects of this law is but to continue the account

of the embarrassment of the national government, the ruin of trade and business, and the misery of the people. Each year the national debt increased and the balance of trade against us for the years 1857 to 1861, inclusive, amounted to \$174,160,123. The revenues from customs were less in 1858, 1859, 1860 and 1861 than in 1857, and the expenditures for the four years exceeded the receipts of the government by \$77,234,116. As a revenue measure then, it was a far worse failure than the tariff of 1846. In increasing the national debt it was a perfect success, our debt going from \$45,000,000 in 1857, to \$90,000,000 in 1861, or just double, and as a bankrupt treasury was the apparent aim of the free traders it must be admitted that they fully realized their hopes.

In the fall of 1860 President Buchanan and his Secretary of the Treasury offered authorized bonds for sale, but there being little response Congress authorized the issue of Treasury notes, one-twentieth only of which were bid for at from 12 to 30 per cent discount. The credit of the government was low indeed. It was far below that of the States and of most individuals.

Turning now from the condition of national finances, let us examine a moment the condition of business men and the masses. Peter Cooper said:

*Condition
of the
people.*

British iron and cloth came in and gold went out, and with each successive day the dependence of our farmers on foreign markets became more complete. With 1857 came the culmination of the system, merchants and manufacturers being ruined, banks being compelled to suspend payment, and the treasury being reduced to a condition of bankruptcy nearly approaching that which had existed at the close of the free trade period of 1817 and 1839.

The distress was universal and deplorable in the extreme. We can hardly conceive in these days of the misery of those times. In the midst of this universal distress, when our industries were prostrate and idle, when the people were appealing for work, when the results of the act of 1846 could not be mistaken, the Democratic party carried its ruinous policy still further and enacted the law of 1857. The effect of this was to increase imports, intensify the suffering, and make more terrible the calamities which had already befallen the country. President Buchanan described the situation in his message of December 14, 1860, in the following language: "Panic and distress of a fearful character prevails throughout the land. Our laboring population is without employment and consequently deprived of the means of earning their bread. Indeed all hope seems to have deserted the minds of men." But quotations are not proof. To learn the real cause of the hopeless condition of the people we have but to examine the following table showing the increase in some of our imports from 1846 to 1860. England was manufacturing our goods for which we were sending her our gold, while our own workmen were idle and their families starving:

*Imports
of manu-
factures.*

IMPORTS OF TWENTY PRINCIPAL MANUFACTURES IN 1846 AND 1860, WITH PER CENT INCREASE.

INDUSTRY.	1846.	1860.	Per cent increase 1846 to 1860.
Brass, ...	\$ 145,860	\$ 231,792	59
Clocks and time pieces, ...	1,296,887	2,990,505	130
Clothing, ...	847,742	2,102,296	148
Cotton goods, ...	13,530,625	32,559,024	141
Flax, ...	5,098,505	10,736,335	111
Glass, ...	686,229	2,174,493	217
Gunny bags (1847), ...	105,173	2,082,643	1,880
Iron, ...	7,835,832	18,802,227	140
Laces and embroidery, ...	982,166	4,017,675	309
Leather, ...	1,130,064	5,111,748	352
Paper, ...	134,374	723,763	439
Silk, ...	12,470,320	33,065,820	165
Soda ash (1847), ...	240,307	2,551,324	962
Steel, ...	1,234,408	2,724,353	121
Tin, copper and zinc, ...	228,129	5,523,326	2,321
Earthenwares, china, etc., ...	2,525,349	4,407,812	75
Wood, ...	554,984	1,212,662	119
Wool, except carpeting, ...	9,830,307	35,394,422	260
Wool, carpeting of all kinds, ...	253,543	2,542,523	904
Tobacco, ...	1,284,086	4,714,284	267

To show from whom we bought most of the manufactured goods of this period the following table has been prepared:

TOTAL IMPORTS OF CERTAIN MANUFACTURED ARTICLES FROM 1846 TO 1860, INCLUSIVE. FROM GREAT BRITAIN AND ALL OTHER COUNTRIES.

ARTICLES.	From Great Britain.	Total Importation.
Clocks, chronometers, watches, etc., . . .	\$21,389,451	\$40,532,277
Coal, ...	6,121,169	8,794,376
Cotton, ...	274,078,484	335,783,475
Flax, ...	122,375,579	128,213,361
Glass, ...	3,282,115	22,368,177
Iron and steel, ...	234,198,167	268,771,984
Indigo, ...	5,651,391	15,048,443
Jewelry and plated ware, ...	8,577,067	14,216,872
Leather, ...	16,620,152	47,649,796
Laces, embroideries, etc., ...	29,125,324	37,416,168
Paints, painters' colors, etc., ...	2,730,327	3,659,479
Soda ash, carbonate of soda and sal soda, ...	16,133,793	16,638,629
Silk, ...	152,380,193	378,280,822
Steel, cast, German and other, ...	28,084,118	29,337,146
Tin, ...	50,416,090	59,705,478
Wares, earthen, china, porcelain and stone, ...	38,726,976	48,726,976
Wool, exclusive of carpeting, ...	209,709,980	329,992,754
Wool, carpeting of all kinds, ...	19,611,541	19,869,587

*Effect of
the increase
of imports.*

The large imports of manufactured goods from Great Britain under the low tariffs of 1846 and 1857 as exhibited by the foregoing table confirm the opinion of Mr. Cobden and his associates of the inability of American manufacturers to resist British competition. The free traders of the United States had joined hands with British manufacturers and were carrying out the very scheme which brought the Anti-Corn Law League into existence. The leaders of the free trade movement in England had precise information upon the situation and were able definitely to predict just what would happen when the protective barriers of the United States were removed. They knew they would get the lion's share of the trade and that they would be able to seize and monopolize our markets. This is proven by the many statements of Englishmen which have been quoted in a preceding chapter, and especially by Mr. McCulloch's declaration, "*that nothing but the aid derived from restrictive regulations and prohibitions will be effectual to prevent the total destruction of their establishment in the countries where they are set up.*" . . . "*It is ludicrous, indeed, to suppose that a half peopled country like America . . . should be able successfully to contend in manufacturing industry with an old-settled, fully-peopled and very rich country like Great Britain.*"¹

The removal of duties resulted in busy factories in England, and idle factories in America. This was the purpose sought to be accomplished by the free traders of England and their allies in the United States.

R. W. Thompson, in his "History of the Tariff," said:

A man who, in conducting his individual affairs, buys more than he is able to pay for will assuredly reach insolvency in the end, no matter what his wealth. The rule applies equally to the aggregate communities who constitute nations, with regard to their commercial intercourse with other countries. If we follow the advice of those who desire that duties shall be laid for revenue alone, and neglect to consider our ability to purchase and pay for the imported articles we buy from abroad, our policy is necessarily short-sighted in this: that we omit any consideration of the question whether the balance of trade is for or against us—in other words, whether we are or are not able to pay for what we buy from abroad. Whensoever, in our past experience, we have found ourselves in debt beyond our ability to pay, we have been confronted by the impairment of our national credit; and the government in consequence of diminished importations, in some cases, and unnecessarily low duties in others, has been left without revenue enough for its support. Our experience under the revenue tariffs of 1846 and 1857 attest this.²

Year by year, from 1846 to 1860, imports increased as the labor and capital of the United States were driven to the wall and their products displaced by British goods. The preceding table of the imports of the principal manufactured articles from 1846 to 1860 shows the operation of this policy. Yet these vast imports of commodities which were depriving our labor and capital of employment form a part of the foreign trade which is being pointed out by free traders as an indication of prosperity.

¹ Ante, p. 144. ² Pp. 436-437.

Cotton.

The injury which the free trade policy inflicted upon the country during this period from 1846 to 1860 has been fully illustrated. It is but just and fair to note any benefits that came, even though they were temporary. The one and only really lasting benefit was in our cotton production. The crop and exportation were as follows, from 1847 to 1860 inclusive:

	Bales Produced.	Value Exported.
1847, ...	1,778,651	\$53,415,848
1848, ...	2,347,634	61,998,294
1849, ...	2,729,596	66,396,967
1850, ...	2,096,705	71,984,616
1851, ...	2,355,257	112,315,317
1852, ...	3,015,029	87,965,732
1853, ...	3,262,882	109,456,404
1854, ...	2,930,027	93,596,220
1855, ...	2,847,339	88,143,844
1856, ...	3,527,845	128,382,351
1857, ...	2,939,519	131,575,859
1858, ...	3,113,962	131,386,661
1859, ...	3,851,481	161,434,923
1860, ...	4,669,770 ¹	191,806,555 ²

This is certainly a most gratifying showing, nor is it known that a single inhabitant of the United States begrudged the South a bale produced or a dollar's worth exported. We are all proud of this magnificent result taken as one branch of our industrial growth, but it would have been the same had the law of 1842 remained in force.

This was a period of great expansion of the cotton industry in England and on the continent of Europe, caused by improvements and the introduction of machinery. Under protective tariffs Germany, France and Belgium, by the building of cotton mills, greatly increased the demand for this product. This, too, would have occurred had the tariff of 1842 continued in force.

Agriculture.

Our total agricultural products in 1850, as given by the census, were in value \$1,326,691,326. No total comparison can be made with 1840, but the census estimates the crop of the latter year at \$800,000,000. The gain is largely attributable to cotton and rice, the latter product increasing from 80,840,422 pounds in 1840 to 215,313,497 pounds in 1850. In the production of rye, potatoes, tobacco, sugar and miscellaneous farm products, there was a decline from 1840 to 1850. In horses, sheep, swine, barley, buckwheat and orchard products, we made but little advance and but little more in wheat, hay and wool. Eliminating the four years of prosperity under the tariff of 1842, the effect of the Mexican war, foreign famine and the discovery of gold, the decade would make a poor showing indeed, save in cotton and rice.

¹ New York Commercial and Financial Chronicle. ² Annual Report on Commerce and Navigation.

Nor does the decade from 1850 to 1860 show any better results. The highest estimate of the value of farm products in 1860 is \$1,600,000,000, while many estimate the value as low as \$1,400,000,000. Admitting the highest figure and deducting the value of cotton produced, and again for a decade we find no material advance. The true figures would probably show a considerable decline. And yet, it was in behalf of agriculture that we were made to sacrifice so much. We were to feed the world, yet our own people were starving. This is what free trade did for agriculture. What did it do for manufactures? The following table will show the total and per capita value of product and the number of hands employed in 1840, 1850 and 1860:

*The decade
from 1850
to 1860.*

	1840.	1850.	1860.
Population, ...	17,069,453	23,191,876	31,443,321
Value of manufactures, ...	\$370,451,754	\$1,019,106,616	\$1,885,861,676
Per capita value of manufactures,	21.70	43.94	59.98
Number of hands employed,	370,167	957,059	1,311,246
Per cent of hands employed,	2	4	4

It must be remembered that the gain from 1840 to 1850 is due largely to the impetus given by the tariff of 1842. The real effect of free trade unaided by unusual causes is seen from 1850 to 1860. There was no gain in the percentage of hands employed, while in 1890 the percentage of hands employed compared with the total population was eight, or just double the per cent in 1860. The increase of per capita value of manufactured products was 37 per cent, small indeed when compared with the per capita increase of 150 per cent from 1860 to 1890 under protection. But a comparison of percentages is at best misleading, and it is only by a comparison of percentages that the free traders can make any favorable showing for this period. Let us suppose that there was made of any article \$50 worth in 1850, and \$100 worth in 1860. There is a gain of 100 per cent. Now if \$200 worth was produced in 1870 there was another gain of 100 per cent. Should \$400 worth have been produced in 1880 there was still only a gain of 100 per cent, and if \$800 worth was produced in 1890, there was still the same gain of 100 per cent. But if in 1896 there was \$1500 worth produced, making the gain only 87½ per cent, still the actual gain in the last period would be fourteen times that of the first. Thus do free traders take many of the newly started industries of 1842-46, and with their columns of percentages make a wonderful showing. In 1847 we made 40,966 tons of iron rails. In 1853 five years after, we made 78,450, a gain of 37,484, or 92 per cent. In 1867 we made 410,319 tons which in 1872, five years after, had increased to 808,866 tons, a gain of 398,547 tons, or 96 per cent. The per cent gain is about the same in both

*Estimates
of increase
by percent-
ages are
misleading.*

cases, while the net gain of the latter five years is ten times that of the former. In 1846, 638 patents were issued. In 1860 there were granted 4,778, a gain of 650 per cent. In 1876 there were 15,595 issued, and in 1890, 26,292 issued, a gain of only 68 per cent for the fifteen years of protection, against a gain of 650 during the fifteen years of free trade. And yet, the total number of patents issued during the latter period was 288,207, against 29,017 in the former period, or about ten times as many, or, per capita, five times as many. While this allusion to the number of patents issued is given to illustrate the fallacy of a comparison of percentage increase, it will serve to point out most significantly the effects of free trade and protection on the inventive genius of the people. Without ambition or hope, the mind does not reach out very far; it must be wholly occupied in solving the problem of existence, while under prosperity, in the enjoyment of comfort and contentment, there is a constant desire to grasp higher attainments, and the result can be clearly seen from the returns of the patent office.

But all the percentages of free trade conception and calculation cannot make wealth from poverty, prosperity from bankruptcy, or gain from loss. Treat the period from 1846 to 1860 as you will, the best that can be said of it is, that we stood still in proportion to our increasing population. And had it not been for a succession of domestic and foreign advantages such as had never before occurred, and probably never will occur again in a single decade, the ruin that came would have come ten years sooner, or been ten times as great, if it were possible to reach such a result. But if we suffered, England did not. She gained to the extent of millions; yes, hundreds of millions of dollars.

Professor Taussig, says:¹

*The crisis
of 1857.*

"The revenue was redundant in 1857, and this was the chief cause of the reduction of duties."

And again:

In fact, the crisis of 1857 was an unusually simple case of activity, speculation, over-banking, panic, and depression; and it requires the exercise of great ingenuity to connect it in any way with the tariff act. As it happened, indeed, the tariff was passed with some hope that it would serve to prevent the crisis. Money was accumulating in the treasury; and it was hoped that by reducing duties the revenue would be diminished, money would be got out of the treasury, and the stringency, which was already threatening, prevented.²

What are the facts? In 1855, '56 and '57, the customs receipts and expenditures of the government were as follows:

	Customs Receipts.	Expenditures.
1855, ...	\$53,025,794	\$56,316,197
1856, ...	64,022,863	66,772,527
1857, ...	63,875,905	66,041,143

¹ History of the Tariff, p. 115.

² Id., p. 118.

Had it not been for the unprecedented receipts from the sales of public lands which amounted to \$28,885,492 during the three years preceding 1857 there would have been a deficit in the treasury each year. Whether these sales were made for the purpose of meeting the requirements of the government or not, it is certain that any redundancy was not due to the workings of the tariff.

How about the balance of trade for these years? Since 1847 it had been as follows:

	Domestic Exports.	Imports.
1848, ...	\$130,203,709	\$148,638,644
1849, ...	131,710,081	141,206,199
1850, ...	134,900,233	173,509,526
1851, ...	178,620,138	210,771,429
1852, ...	154,931,147	207,440,398
1853, ...	189,869,162	263,777,265
1854, ...	215,328,200	297,623,039
1855, ...	192,751,135	257,808,708
1856, ...	266,438,051	310,432,310
1857, ...	278,906,713	348,428,342
Total, ...	\$1,873,658,569	\$2,359,635,860
Balance against us, ...		\$485,977,291
Or an annual average of		48,597,729

*Balance of trade—
1848-57.*

Now, how much coin and bullion were we compelled to send away to pay for this excessive importation?

EXPORTS OF GOLD AND SILVER COIN AND BULLION FROM THE UNITED STATES.

	Domestic.	Foreign.	Total.
1848, ...	\$2,700,412	\$13,141,204	\$15,841,616
1849, ...	956,874	4,447,774	5,404,648
1850, ...	2,046,679	5,476,315	7,522,994
1851, ...	18,069,580	11,403,172	29,472,752
1852, ...	37,437,387	5,236,298	42,674,135
1853, ...	23,548,535	3,938,340	27,486,875
1854, ...	38,062,570	3,218,934	41,281,504
1855, ...	53,957,418	2,289,925	56,247,343
1856, ...	44,148,279	1,597,206	45,745,485
1857, ...	60,078,352	9,058,570	69,136,922
Total, ...			\$340,814,274

Not in a single year of the ten was the balance of trade in our favor; not a single year passed without our sending away our gold in large amounts. And yet Professor Taussig would have us believe that the reduction of duties in 1857 was due to the "redundant" condition of the national finances.

The experience of the United States under a high tariff or a low tariff has been well understood by the statesmen, economists and historians of the world. The result has not been different from that in other

*Results of
the pro-
tective
policy.*

*Effects of
the two
tariff
systems.*

countries when protection has been extended to their industries, or when they have been exposed to the ruinous competition of rivals possessed of superior advantages. The dogmatic free trader does not dispute the effect which the practice of protection or free trade has on the industries of a country under those conditions. Their position, however, being that it is better for a nation to forego the production of those articles which it is unable to make at a lower cost than they can be produced in other countries having superior advantages either of capital, skill, or cheap labor, and to buy in the cheapest market. When there is no dispute among economists or between protectionists and free traders upon the effect of the two systems on the industries of a country; when the controversy only arises over their relative benefits, it is idle for free traders who are advocating the "buy in the cheapest market" doctrine, to attempt to disguise or misrepresent the effect of those low tariffs on established industries, or to claim for them different results from those actually intended or achieved. That we purchased more largely of the manufactures of foreign countries under the low tariffs than we did under the high tariffs, and that labor and capital under the low tariffs found less employment at home in the industries thereby affected, there is not the slightest question. That high tariffs encouraged the building of factories and gave employment in them is equally conceded; the contentions of the free traders, however, being that industries thus brought into existence and supported, are artificially fostered, and that the result is to compel the consumers to pay more for their goods than they would be able to buy them for in other countries where they can be made cheaper. This being the common argument of free trade writers, the free trade press and the free trade stump speakers, why they should seek to misrepresent the effect of the acts of 1846 and 1857, is inexplicable on any other grounds than that they are attempting to evade the responsibility of the business depression and calamities which have ever befallen the people under an actual test of their dogmas.

*The industrial policy
of the
South—its
evil effects.*

The unwise course of Southern statesmen was fully demonstrated when between 1861 and 1865 they came to measure their strength with the people of the North. Under their leadership and teachings the South had become imbued with the principles of free trade. Although possessing one great staple product, cotton, for which their climate was so well adapted and in the production of which they could hold a monopoly of the world's markets and supply cotton factories whether located in Europe or America, yet, as is now being demonstrated, it was but one source of wealth and formed, in fact, but a small part of the natural richness and resources of the country. With inexhaustible iron mines and coal measures in nearly all their States, with fuel and raw material lying side by side, with their cheap labor they could have established cotton factories, worked up their raw material at home, and rivaled Manchester

in the production of this fabric. With the natural resources and richness of the South, a diversity of industries would have attracted capital, skilled labor, and developed a degree of genius and business enterprise which would have made the States unrivaled in their wealth; but instead of this, they turned their energy to the production of one great, staple commodity; following out the teachings of British economists, they neglected everything else for one great industry. The result was that in 1861, and during the war, their cities and towns were unprosperous, their capital was invested in cotton plantations, and the only way they could get this product to the market was by running the blockade of Federal cruisers. They had been talking secession and preparing for war for nearly thirty years. Industrially they were little prepared for it. On the other hand, the North, without believing in the danger of a rebellion and with no intention of preparing for internal strifes, had availed itself of the advantages afforded by the protective regulations and in every way possible built up a system of diversified industries which had attracted to it immigration, skill and capital. Large commercial cities, numerous industrial centres had arisen in the North, which had a population of 22,000,000 and nearly all the wealth of the country; while the Confederate States had only 11,000,000 of people, and limited and undeveloped resources. In these circumstances, the contest from the outset, when the chances of war are measured by property and wealth alone, was an unequal one. The South had threatened secession for nearly thirty years, and yet in 1860 it had only seventy-five hands engaged in making firearms, while in the North there were 1987 in this occupation. The South had only 1768 persons employed in the woolen and worsted industry; while in the North there were 31,500. Although producing the raw cotton, the South had only 9966 hands engaged in its manufacture, while in the North the number had reached 111,378. With an inexhaustible supply of coal and iron easily accessible, the South gave employment only to 5087 persons in the production of iron manufacture, while in the North there were 63,045. So we might go through the whole line of manufacturing with a comparison of establishments, hands employed and value of the product, and by a similar comparison fully illustrate the folly of a people possessed of great natural resources and facilities for carrying on almost every kind of industrial pursuits, in becoming wedded to an unwise industrial system, neglecting the very opportunities which nature had given them, and failing to avail themselves of the advantages of the fostering care of protection, which was enacted to promote the welfare and advance the prosperity of every section of our common country, North, South, East and West.

CHAPTER III.

PROTECTIVE LEGISLATION, 1860 TO 1890.

*High
tariffs.*

It is the province of this and succeeding chapters to show by facts and figures the industrial changes of our country since the enactment of the Morrill tariff in March, 1861.

It was on March 12, 1860, that Mr. Morrill, of Vermont, introduced a tariff bill from the Ways and Means Committee. It passed the House May 10. In the Senate, however, it was put aside till December, but was finally passed March 2, 1861, receiving President Buchanan's signature a few hours before his leaving office. The bill went into effect April 2. This bill increased the duties by about 10 per cent, and by the changing of many duties from ad valorem to specific gave the new law a distinctively protective character. But this act was not adequate to meet the increasing expenditures made necessary by the war. An extraordinary session of Congress was convened July 4, 1861, and a bill further increasing tariff duties became a law August 5. This was practically the first of the war tariffs. On December 24, of the same year, duties were increased on sugar $\frac{1}{2}$ cent per pound, tea 5 cents, and coffee 1 cent.

*Tariff
policy of
the North
contrasted
with that
of the
South.*

The Republican party, in nominating Abraham Lincoln in the preceding year, had made protection to native industries one of its cardinal principles, and inserted in its platform the following plank, written by Henry C. Carey:

12. That while providing revenue for the support of the general governments by duties from imports, sound policy requires such an adjustment of these imports as to encourage the development of the industrial interests of the country; and we commend the policy of National Exchange which secures to the workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor and enterprise, and to the nation commercial prosperity and independence.

On the other hand, the South had adopted free trade pure and simple. Article 1, section 8, clause 1, of the Confederate Constitution reads:

The Congress shall have power: To lay and collect taxes, duties, imports and excise, for revenue necessary to pay the debts, provide for the common defence and carry on the government of the Confederate States; but no bounties shall be granted from the treasury, nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry.

It may not be amiss to state here that the events and results chronicled in the following pages are a true history of the times. The terms North and South are used in no partisan or offensive spirit. No historian

could be just to himself or his subject should he ignore the overshadowing fact that the North had adopted and was maintaining the policy and principles of a protective tariff, while the South had espoused free trade, and was carrying on her battles under the banner of Cobdenism. And it can safely be contended that protection contributed no small part to the successful issue of the war in favor of the North. We are told by free traders that it was the war itself which brought about the wonderful industrial advance of the North. The truer statement would be that our progress and prosperity came under protection not because of, but in spite of, the war.

In addition to those already mentioned, the following tariff acts were passed during the war: July 14, 1862, general increase of rates; March 31, 1863, on unsized printing paper, crude petroleum and coal illuminating oil, 20 per cent; April 29, 1864, joint resolution, increase of rates 50 per cent for sixty days, extended to July 1, 1864; June 30, 1864, general increase of rates; March 31, 1865, rates changed on cotton manufactures, oils, tobacco, silk, ready-made clothing. In April, 1865, came Appomattox and the close of the greatest civil and industrial struggle of modern times. Without protection in the North, the struggle would certainly have been longer—the result might have been different.

It is pertinent now to inquire into the effects of the two tariff policies during the first half of the decade from 1860 to 1870, or the war period. Various reputable estimates place the expenditure of money, property destroyed and production prevented during the war at \$9,000,000,000. Nor does that represent the whole loss to industry. Half a million producers had been killed and a million disabled. The nation's debt at the close of the war was \$2,808,549,337.55. Our expenditures during the war amounted to \$3,752,844,234.30. These figures are unprecedented in the history of nations, and yet not once did we ask a loan from any foreign capitalist. Secretary of the Treasury Fessenden, in his message of 1864, said:

*Effect of a
high tariff
in the
North.*

This nation has been able thus far to conduct a domestic war of unparalleled magnitude and cost without appealing for aid to any foreign people. It has chosen to demonstrate its power to put down an insurrection by its own strength, and furnishes no pretence for doubt of its entire ability to do so, either to a domestic or foreign foe. The people of the United States have felt a just pride in their position before the world. . . . After nearly four years of a most expensive war, the means to continue it seem apparently undiminished, while the determination to prosecute it with vigor to the end is unabated.

But this was not all. Our people had not only supported themselves and the government, besides furnishing the latter with nearly \$4,000,000,000, but in this same period they had increased their savings from \$149,277,504 in 1860 to \$242,619,382 in 1865, an increase of over 65 per cent. Had the tariff of 1857 or even that of 1846 remained in force during the war whence would have come the money to meet the above expenditures—to furnish the government with even the means to exist, to

say nothing of carrying on the war? Well might Secretary Fessenden refer to the pride of the people of the United States. The figures quoted show the monetary condition of the country at that time. Only approximate figures could be given to illustrate what we had accomplished in industrial pursuits, and after all this will appear from the figures quoted. This favorable financial condition is traceable directly and solely to our system of protection inaugurated by the Morrill act and maintained by succeeding tariff laws, and if we want conclusive proof of this we have but to step across the Mason and Dixon line at this same date and observe the condition of a people wedded to free trade. The cotton crop of 1860 was the largest ever known up to that time. Their mines were teeming with ore. But with their resources was that clause of their Constitution, "*Nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry.*" This was their past, present and would-be future policy. Had they encouraged manufacturing before the war, it could have been maintained to some degree at least to meet domestic need and the men who were not battling in the ranks could have battled at the loom and forge and the women and children as well might have been a hundred times more efficient in aiding the efforts of those under arms. And yet no sadder picture can be drawn than the condition of the Southern people at the close of the war. It were better not to recall the memory of that time in detail. It can all be summed up in a single sentence: Worthless money, idle mills, ruined homes, with barely the food and clothing necessary to maintain life itself. Far pleasanter is it to consider once again a united country and note the progress and prosperity for the succeeding years of a people under one government, one flag and one system of fiscal legislation.

The various tariff acts from 1865 to 1870 were as follows: March 15, 1866, July 28, 1866, March 2, 1867, when the duties were raised on wool and woollens and many other articles; and February 24, 1869. By referring to table on page 631 our progress in this decade can be readily noted. In wealth we gained 90 per cent; in savings nearly 300 per cent; in per capita savings 250 per cent; in manufactures 130 per cent; in wages over 100 per cent. We began at once to reduce our national debt and the following table shows not only the reduction for the five years following the war, but the increase during the last five years preceding the war. Both were times of peace but the former was free trade times, the latter years of protection.

*Reduction
of the na-
tional debt.*

NATIONAL DEBT.

Last five years preceding the war—free trade.

Year.	Debt.	Annual Increase.
1857, ...	\$28,460,958	
1858, ...	44,700,838	\$16,239,880
1859, ...	58,290,738	14,589,900
1860, ...	64,640,838	6,350,100
1861, ...	90,380,873	25,740,035

First five years following the war—protection.

Year.	Debt.	Annual Decrease.
1865, ...	\$2,381,530,294	
1866, ...	2,332,331,207	\$49,199,087
1867, ...	2,248,067,387	84,263,820
1868, ...	2,202,088,727	45,978,660
1869, ...	2,162,160,522	39,928,205

In 1870 the debt was \$2,046,455,722 a decrease of \$115,704,800.

It must be remembered that the so-called war tariffs were framed with a view to both revenue and protection, and that all revisions made since that time up to 1890 have been made by the Republican party solely to eliminate all excessive duties, and with the paramount idea of protection to American labor and industry. For example, at the close of the war there were only eighty articles on the free list. In the McKinley bill 289 articles were left free, and over 50 per cent of our total importations under that bill came in free. Protectionists do not frame laws based on visionary theory. Practical experience has been made the ground-work of each and every law, whether wholly new or a revision. With the exception of a few luxuries, protectionists would impose no duties on non-competing products. The following table will show the gradual increase in the percentage of free imports from 1867 to 1894, inclusive:

*Increase of
free im-
ports of
non-com-
peting
products.*

Year.	Per Cent Free.	Year.	Per Cent Free.
1867, ...	4.50	1881, ...	31.13
1868, ...	4.40	1882, ...	29.42
1869, ...	5.50	1883, ...	29.52
1870, ...	4.74	1884, ...	31.15
1871, ...	8.12	1885, ...	33.28
1872, ...	8.51	1886, ...	33.83
1873, ...	26.90	1887, ...	34.11
1874, ...	26.73	1888, ...	34.27
1875, ...	27.83	1889, ...	34.61
1876, ...	30.26	1890, ...	34.39
1877, ...	32.02	1891, ...	45.41
1878, ...	32.24	1892, ...	56.30
1879, ...	32.45	1893, ...	52.60
1880, ...	33.15	1894, ...	59.53

Note the large increase under the operation of the McKinley bill in 1891, 1892 and 1893 over the years following the law of 1883.

A consistent protectionist measure puts on the free list all articles the like of which cannot be produced at home, excepting certain articles of luxury, such as wines, spirituous liquors, etc., and imposes adequate protective duties on all commodities the like of which can be produced in our own factories by our own labor.

The tariff changes during the decade from 1870 to 1880 were as follows: July 14 and December 22, 1870, rates reduced on many articles, increased on a few, free list largely increased; May 1, 1872, tea and coffee

*Tariff
changes,
1870-80.*

made free; June 6, 1872, reduction of 10 per cent, free list further increased; revised statute of June 22, 1874; February 8, 1875, known as the Little tariff bill, some rates increased, others reduced; March 3, 1875, rates increased on sugar 25 per cent, repeal of 10 per cent reduction of act June 6, 1872; July 1, 1879, quinine made free. The most important of these acts affecting a single industry was the duty of one and one-quarter cents per pound, or \$28 per ton, imposed on steel rails in 1870. The manufacture of steel rails in the United States began experimentally in 1865, and as a commercial product two years later. It was not till 1870, however, when the industry received adequate protection, that we really began to show the world what we could do. The following tables will show our production from 1867 to 1894:

*Increase of
production
of steel
rails.*

Year.	Gross Tons Produced.	Year.	Gross Tons Produced.
1867, ...	2,277	1881, ...	1,210,285
1868, ...	6,451	1882, ...	1,304,392
1869, ...	8,616	1883, ...	1,156,911
1870 (\$28 per ton duty),	30,357	1884, ...	999,367
1871, ...	34,152	1885, ...	963,750
1872, ...	83,991	1886, ...	1,599,395
1873, ...	115,192	1887, ...	2,119,049
1874, ...	129,414	1888, ...	1,390,975
1875, ...	259,699	1889, ...	1,513,045
1876, ...	368,269	1890, ...	1,871,425
1877, ...	385,865	1891, ...	1,298,936
1878, ...	499,817	1892, ...	1,541,407
1879, ...	618,850	1893, ...	1,130,368
1880, ...	864,353	1894, ...	1,017,098

As our manufacture of steel rails has increased, the production of iron rails has decreased. In 1872 we made 808,866 gross tons of iron rails—our largest annual production, while in 1894 we made only 4674 tons—our lowest production. It will be pertinent also to note the importations during this period, and to that end the following table is appended:

IMPORTATION OF RAILS OF ALL KINDS.

Year.	Tons.	Year.	Tons.
1867, ...	145,580	1881, ...	344,929
1868, ...	223,287	1882, ...	200,113
1869, ...	279,609	1883, ...	34,801
1870, ...	356,387	1884, ...	2,829
1871, ...	505,537	1885, ...	2,189
1872, ...	473,973	1886, ...	41,587
1873, ...	231,046	1887, ...	137,830
1874, ...	96,706	1888, ...	63,037
1875, ...	17,364	1889, ...	6,217
1876, ...	256	1890, ...	204
1877, ...	31	1891, ...	253
1878, ...	9	1892, ...	347
1879, ...	39,417	1893, ...	2,888
1880, ...	259,543		

The year of largest production and consumption was 1887. It was also the year of largest mileage of new railroad construction in the United States. The decline in both production and consumption in recent years is due of course primarily to the decline in railroad consumption. Two marked declines in the imports will be noted. The first during the years 1874-79 can be attributed to the financial depression of that period. The second, since 1887 to the present time, is due to the cheapening of prices of the domestic rails. In 1870 the price of a ton of steel rails was \$106 in gold. During the first three months of 1895 the price was \$22.

Effect of a protective duty on steel rails.

In 1872 steel rails were included in the 10 per cent reduction of duty but the old duty was restored three years later. In 1883 the duty was reduced to \$17 per ton; in 1890 by the McKinley act, to \$13.44 per ton, the present duty (Gorman-Wilson act) being \$7.84 per ton. No better example of the workings of a protective duty can be cited than the figures given above. First, the establishment of the industry itself; second, constantly increased production and consequent decreased importation; third, gradual reduction in price. It will be seen also that the duty was twice materially reduced in protection measures to meet altered conditions, while in our present free trade law the duty is just 28 per cent of that originally imposed in 1870. So long as the duty added to the foreign price with cost of transportation exceeds the home price so long will it be protective. The difference in wages and labor cost will be found elsewhere and will show just how much duty is needed to protect and maintain this industry in which we have not only overtaken but left far behind the free trade mills of Great Britain.

May 1, 1872, in accordance with our protection doctrine, the duties on coffee and tea were entirely removed. In June of the same year Congress also passed the following:

That on and after the first day of August, 1872, in lieu of the duties imposed by law on the articles in this section enumerated, there shall be levied, collected and paid on the goods, wares and merchandise in this section enumerated and provided for, imported from foreign countries, 90 per centum of the several duties and rates of duties now imposed by law on said articles severally, it being the intent of this section to reduce existing duties on said articles 10 per centum of such duties.

The section included the iron, steel, cotton, glass, wool and woollen schedules as well as many other important articles. It was, to say the least, most unfortunate and untimely, and while not the sole cause yet it no doubt contributed much to the financial trouble of the following year known as the panic of 1873. Free traders love to dwell on this panic as having occurred under a protective tariff—all other panics and periods of financial prostrations having been accompaniments of free trade. But it is not difficult to analyze and account for the disastrous times of 1873 and the six years following. First we find a general reduction of duties before we had fully recovered from the war. We had not yet restored

The panic of 1873.

the number of producers lost nor the vast property destroyed. When the national debt was funded there was \$150,000,000 needed for annual interest, a great proportion of it going to Europe in exports of gold or its equivalent. Pensions too took a large part of the nation's income, over \$200,000,000 having been disbursed from 1866 to 1873, inclusive. Two hundred million dollars more were diverted from the ordinary channels of business by the rebuilding after the great Chicago and Boston fires of 1871 and 1872. But these were not the only burdens the people had to bear at this time. Being on a paper money basis all gold payments added a heavy premium. The panic had been averted for over eight years and when it did come it did not bring general disaster so much as individual loss and sacrifice. "And strongest of all points (quoting Mr. Blaine in his answer to Gladstone), the financial distress was relieved and prosperity restored under protection, whereas the ruinous effects of panics under free trade have never been removed except by a resort to protection." We had been living during and after the war under inflated valuations. When prices began to fall toward a normal basis, it brought about a readjustment of every department of production, and every kind of business. One of President Grant's first messages to Congress recommended a speedy return to specie payments. This was the first step toward bringing the country down from the inflated condition that existed.

While the panic of 1873 in the United States was followed by a period of great industrial prosperity and growth, the reverse has been the case in free trade England. The depression which set in there in 1876 has grown in intensity up to 1895, when relieved in part by our Democratic Congress. While England was neglecting her home market under free trade, the people of the United States were preserving and protecting theirs by which they were enabled to save all of the results of the enterprise, energy and industry of their own people.

*Return to
higher pro-
tection.*

In June, 1874, the tariff was revised and in March of the following year the 10 per cent reduction of 1872 was repealed. It was now thought best to begin the preparations for a return to specie payments and a law to that effect was passed in 1875 to take effect January 1, 1879. Notwithstanding the financial disasters which continued for six years of this decade and the changes consequent upon a return to coin payment, a most wonderful industrial advance was made. In population we gained 30 per cent. Of wealth we added over \$13,000,000,000, a gain of 44 per cent. In savings we gained 49 per cent. In total manufactures 27 per cent, and iron and steel production nearly 200 per cent. We increased our railroad mileage by over 40,000. In fact we gained in every branch of industry, at the same time reducing the national debt by \$322,462,622. Again, for a decade were the wisdom and strength of a protective tariff demonstrated. It had withstood war and its effect ten years before. It had now withstood a prolonged financial depression. In each case the nation had done

an increased business, added to its wealth and paid off much of its obligations. While other nations were declining in material welfare or at best standing still, the people of the United States were advancing with rapid strides to the foremost position they now occupy in all things pertaining to the welfare of man.

The causes which led to the revival of the tariff question as a party issue soon after 1880, will be discussed in a later chapter. It, however, was forced into prominence after the Congressional elections of 1882, and important legislation followed. President Arthur was empowered to appoint a tariff commission and its report was accepted and a law framed upon the lines suggested. This law became operative in 1883 and its consequences were very manifest. The law was supposed to reflect the wishes of the people. The "War Tariff" and "Robber Baron" cries were repeated over and over again, till certain weak Republicans succumbed and the law of 1883 was passed, making most radical changes. It was thought by protectionists that if concessions were made, even at a sacrifice, the tariff agitation would cease for years to come. In fact it was a general belief that the bill of the Tariff Commission if accepted would stand for at least twenty years. Consequently the changes were made. The cotton schedule was cut down, while the duties on many forms of iron and upon agricultural products were lowered beyond the point of safety. Moreover such changes were made in the wool and woollen schedule as to affect those industries most disastrously. And here is to be seen the insidious craftiness of the Cobdenites and their American allies. In 1883 as in 1888 and 1894 the fiercest part of the battle was waged against our wool and woollen interests. England could not hope to break down our iron industries. We have long since ceased to depend upon her for those products. But in the wool industry she inserted an entering wedge and that wedge has already made a large gap. In 1867 when the protective wool tariff went into effect we had 39,385,386 sheep. In 1884 they numbered 50,626,626, the highest number this country has ever known. But the effect of the tariff of 1883 was such as to reduce the number to 42,599,079 in 1889. The true measure of the growth of the wool industry, however, is not so much the number of sheep as the amount of fleece. The number of pounds of wool grown in 1867 was 160,000,000. In 1884 it had increased to 300,000,000 pounds, but had fallen off again to 265,000,000 pounds in 1889. These figures most vividly illustrate the workings of the tariff in wool production.

*The tariff
of 1883.*

*The ques-
tion of
free wool.*

With adequate protection we would soon have 100,000,000 sheep and grow every pound of wool we need. "But," says the free trader, "we can't grow all kinds. It is necessary to import a certain quantity of the finer wools and we should not tax that when by importing it free it would give increased employment to laborers in our woollen mills and cheaper clothing to all." This fallacy has been exploded so many times

Evidence
to show
that the
United
States can
raise all
kinds of
wool.

that it seems superfluous to refer to it again. Pages of testimony can be given to prove that we can raise as fine wool here as in any part of the world—that we can by proper protection and development raise *any* and *all* kinds. The following quotation is from a letter written by Secretary of Agriculture, Hon. J. M. Rusk, to Colonel Albert Clarke, dated February 28, 1890:

"It [the United States] can produce with no limitations of practical importance, all the races and breeds of sheep in the world."

Another extract from the same letter is as follows:

"As to carpet wools: The principal reason why they have not been produced in sufficient quantities is because they have been discriminated against in tariff rates."

The American Consul at Sidney, New South Wales, G. W. Griffin, in his report to the Department of State, March 23, 1891, says:

"The samples of American wool and especially those grown in the State of Ohio, sent to Melbourne International Exposition, were admitted by experts to be far superior to anything of the kind ever grown in these colonies."

William Whitman, president of the National Association of Wool Manufacturers, in an official letter to Jesse Metcalf, November 22, 1889, said:

"In my judgment the American staple wools are better adapted for the fabrication of satisfactory clothing for the American people than any other wool grown."

But we are told by the free trader that we must needs import certain wools to "mix" with our own. The following testimony of a manufacturer of woolen goods will refute this claim. Charles Fletcher, of the Providence Worsted Mills, in a letter, February 18, 1890, to the Boston Home Market Club, said:

"The talk of 'mixing' Australian wool to make goods required for this market is all nonsense, as Australian wools are only used largely here when they are cheaper than domestic wool." On February 21, 1890, Justice, Bateman & Co., with a knowledge of the real facts unsurpassed by any experts in the world, wrote:

These statements are not correct in any particular. The finest and strongest wool ever raised in any part of the world has been raised from Saxony sheep in the section of the country where the rivers flow toward and into the Ohio Valley. It has decreased because the American wool-growers are handicapped by the reduced tariff of 1883, and cannot compete with the Australian wool-growers. With regard to carpet wool, the wool houses of Philadelphia formerly sold millions of pounds of carpet wool from New Mexico. Carpet manufacturers declared that it was the best carpet wool in the world.

William L. Black, of Fort McKavett, Menard County, Texas, a prominent wool grower of that State, in a letter January 7, 1889, published in the Philadelphia Manufacturer of March, says:

"It is, in my opinion, quite possible to produce carpet wools profitably in the United States, and this will certainly be done if the tariff is amended to protect this branch of the industry."

A. E. Shepard, president Texas Wool Growers, in a letter to William Lawrence, January 16, 1888, said:

"I say most emphatically that with sufficient wool protection the United States can produce a sufficient quantity of carpet wool to supply the carpet wools of this country."

J. F. Gibbs, of Greeley, Colo., January 2, 1890, before Committee of Ways and Means, First Session, Fifty-first Congress, Tariff Hearings, p. 184, said as to carpet wool sheep in Colorado:

"Ten years ago the coarse-wooled American sheep were abundant. The low duty on carpet wool has driven them all from the field. They were the poor man's sheep, good 'rustlers,' good mothers, and prolific. They were the sheep for the plain lands where there was no chance to put up hay for the winter."

Surely this is conclusive testimony as to our ability to raise our own wool.

With our own decline in wool products came of course increased importation as shown in the following table :

*Advantage
of home
production
of wool.*

IMPORTATION OF WOOL AND WOOLENS.

WOOL.	1883. Pounds.	1889. Pounds.
Clothing, ...	11,546,530	29,226,317
Combing, ...	1,373,113	6,869,871
Carpet, ...	40,130,322	90,391,451
Manufactured goods, ...	92,991,518 ¹	157,000,000
	146,041,483	283,487,729

But the loss is not only one of sheep and wool. Increase of sheep means increased labor in raising them, and corresponding wages. The industry would add a quota to the railroads and canals, with increased demand for labor to those engaged in transportation. It would increase farm values. It would give value to lands fit for no other industry. It would add to the number of pelts—again giving employment and wages to an increased number of men. It would give an increased mutton supply, benefiting producer and consumer alike, the farmer gaining a double revenue from meat and wool. Moreover sheep consume grain, and with 100,000,000 sheep there would be no corn burned, no wheat or oats gone to waste. In short, the benefit would be incalculable and we can well see why England and her allies in the United States, when they want to strike down an important industry, attack our sheep. Continued free wool means ruin to our sheep industry. The flocks of Australia, the Argentine Republic and other countries are too large, their pasturage and labor too cheap, for us

¹ Average 6 years, 1877-1882.

to compete with them. If we are to raise our own wool we must have adequate protection. The only contention then remaining is regarding price. Free wool may mean cheaper wool, but even if protected wool is a little higher than foreign wool, any increased price is far more than compensated for by the benefits of the wool industry. But free wool would not mean cheaper wool permanently. Protection does for a time enhance prices, but our vast area and abundant tracts of land suitable for sheep raising, and the competition that would result with sufficient protection, would soon bring the price to an equitable basis, as it has in the case of every other American product.

*The tariff
of 1883 a
compromise
measure.*

It has been wondered why a Republican Congress should have given such a blow to the sheep industry as was done in the bill of 1883. In this connection, the following, from a speech by Mr. McKinley in the House, April 7, 1884, will be interesting:

It is only proper that I should state that the last House never had an opportunity to vote upon the wool duty as a separate proposition, but was compelled to vote upon the Senate bill as agreed to in the conference committee as a whole. The alternative was then presented to the House of passing the bill as an entirety, which involved reductions in custom rates and large reductions of internal revenue taxes amounting to \$40,000,000 annually, or defeat it, and thus lose everything of good which the bill contained. Had the question of disturbing the wool duty been presented distinct and separate, the reduction would never have taken place. This was shown when the Ways and Means Committee authorized one of its members to offer as a committee amendment the wool duties of 1867, which would have been presented and passed had the consideration of this schedule ever been reached in the House. Nor would the conference committee have failed to correct the wrong if it had not been made manifest by repeated votes in the Senate that the increase proposed upon wool would certainly have defeated the bill in the Senate.

It has been stated that the law of 1883 was a law of compromises and concessions; that it was a general belief that the tariff question would rest for many years; but as soon as the Democratic House of 1883 got to work a free trade measure was reported, known as the Horizontal Reduction Morrison Bill, but it failed to pass even the House. Other bills were reported in 1886, but failed, and the tariff of 1883 was left undisturbed till 1890. In 1884, however, for the first time since the war, a Democrat and free trader was elected President. The influence of the Cobden Club's tracts had been effective. Mr. Cleveland, though an accidental man, was destined to leave his mark on the industrial and financial interests of the country. When a Democratic Congress assembled in 1887, he submitted his famous free trade message. This message was only a reiteration of the chief arguments of the Cobden Club pamphlets, which had deluged the country and showed that Mr. Cleveland had read them closely and with a good memory.

The President was evidently an easy convert to Cobdenism. His message gave no sign of originality, no new points, no fresh thought. It

was simply one more threshing of the old straw. The London Times then said: "It is certain that the arguments which President Cleveland urges are those which Cobden used to employ forty-five years ago, and which any free trader could employ now."

The message was hailed with joy in Great Britain, as may be seen from the following dispatch sent to the New York Herald by a member of parliament:

"To convert the United States is indeed a triumph. The Cobden Club will henceforth set up a special shrine for the worship of President Cleveland and send him all its publications gratis. Cobden founded free trade, Cleveland saved it."

In 1888 came the Mills bill, and a reopening of the whole question. It was impossible to pass any kind of a free trade bill, but months were spent in speech-making by members of both House and Senate. The so-called Mills bill was one of the most iniquitous acts ever framed. But Mr. Mills was at least honest in his utterances. He did not hesitate to say free trade when he meant free trade. There were others, too, in the Democratic party who used the same term without flinching, but most of our free traders preferred another term. The New York branch of the Cobden Club, which for years had been called the Free Trade Club, was now called the Reform Club. Congressmen and college professors followed by Democratic speakers and editors, took up the word, and "reform" was used instead of "free trade." Especially was the blow aimed at the American farmer. Free wool was made the keystone, free raw material the war cry, free trade the end in view. Unlike other free trade measures, the Morrison bill for example, it favored the industries of one section of the country, while it menaced those of another.

The Mills bill.

The following from a speech of Senator Plumb, states tersely the class of men who framed the bill as well as their methods:

The committee consists nominally of thirteen members, five of whom are Republicans and eight Democrats, but six of the latter come from States recently under the thralldom of slavery, namely, Texas, Arkansas, Kentucky, Georgia and West Virginia—these States thus furnishing six-eighths of this important committee; and I say this advisedly, for while there are nominally five Republican members, the bill comes solely from the eight Democratic members, not one of the Republicans having been permitted to see the bill, or even to know a single syllable it was to contain until it had been published to the country. Every Republican on that committee might as well have been at their homes as dancing attendance at the committee-room while this bill was being formulated. It is a delusion to think that there were thirteen members on that committee; there were but eight, the five appointed from manufacturing States and favoring protection were absolutely ignored; they were not permitted to participate in the work of the committee, and were not recognized as having any right to act or to have a voice in its deliberations; and of the eight practically constituting the committee, six, as I have shown, come from a particular section.¹

TABLE

*Table Showing Comparative Growth of Principal
Compiled from Census*

Marginal Number.	INDUSTRIES.	Number of Establishments.		Number of Hands Employed.	
		1880.	1890.	1880.	1890.
1	Agricultural implements, ...	1,943	910	39,580	42,544
2	Ammunition, ...	4	35	1,066	2,267
3	Bags, other than paper, ...	37	64	2,242	3,760
4	Boots and shoes, ...	1,959	2,082	111,152	139,333
5	Bread and other bakery products, ...	6,396	10,484	22,488	52,762
6	Brick and tile, ...	5,631	5,828	63,355	109,151
7	Carriages and wagons, ...	3,841	8,614	45,394	73,453
8	Cars, street railroad, ...	130	166	14,232	35,929
9	Chemicals and allied products, ...	1,349	1,626	29,520	43,701
10	Clay and pottery products, ...	752	707	10,221	20,296
11	Clothing, men's, ...	6,166	18,658	160,813	243,857
12	Clothing, women's, factory products, ...	562	1,224	25,192	42,008
13	Coffins, burial cases, etc., ...	769	1,562	4,415	9,658
14	Confectionery, ...	1,450	2,921	9,801	27,211
15	Corsets, ...	113	205	8,802	11,370
16	Cotton, ...	756	905	174,659	221,585
17	Coke, ...	126	218	3,140	9,159
18	Dentistry, mechanical, ...	753	3,214	541	4,737
19	Dyeing and finishing textiles, ...	191	248	16,698	20,627
20	Electrical apparatus and supplies, ...	76	189	1,271	9,485
21	Engravings, etc., ...	479	817	3,347	5,642
22	Fertilizers, ...	364	390	8,598	10,158
23	Foundry and machine shop products, ...	4,958	6,475	145,351	247,754
24	Furnishing goods, men's, ...	161	586	11,174	22,211
25	Furniture, ...	6,008	5,973	62,662	92,504
26	Glass, ...	211	317	24,177	45,987
27	Hats and caps (not wool), ...	489	705	17,240	27,193
28	Hosiery and knit goods, ...	359	796	28,885	61,209
29	Iron and steel, ...	792	719	140,798	175,506
30	Jewelry, ...	752	859	12,880	16,053
31	Lumber mills and saw mills, ...	25,708	21,011	147,956	286,197
32	Marble and stone work, ...	2,846	3,373	21,471	35,989
33	Musical instruments and materials, ...	429	674	11,350	19,428
34	Newspapers and periodicals, ...	3,467	16,566	58,478	165,227
35	Paints, ...	244	382	4,483	8,737
36	Paper, ...	692	567	24,422	29,568
37	Paving and paving materials, ...	46	704	757	22,730
38	Petroleum, refining, ...	86	94	9,869	12,471
39	Roofing and roofing materials, ...	493	2,140	3,082	13,333
40	Saddlery and harness, ...	7,999	7,931	21,446	30,326
41	Salt, ...	268	200	4,289	4,455
42	Silk, ...	382	472	31,337	50,913
43	Smelting and refining, ...	4	50	311	1,765
44	Steam fitting and heating apparatus, ...	95	217	2,474	11,779
45	Wool, ...	2,689	2,489	161,557	219,132

No. 23.

Manufactures in the United States, 1880-1890.
of the United States.

Wages Paid.		Cost of Material Used.		Value of Product.		Increase Per Cent. Wages Paid.	Increase Per Cent. Value of Product.	Marginal Number.
1880.	1890.	1880	1890.	1880.	1890.			
<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>			
15,359,610	21,811,761	31,531,170	31,603,265	68,640,486	81,271,651	42	18	1
361,778	1,110,482	1,223,452	2,759,782	1,904,966	6,538,959	207	243	2
776,026	1,462,011	8,027,770	12,657,270	9,726,600	16,355,365	88	68	3
43,001,438	66,375,076	102,442,442	118,785,831	166,050,354	220,649,358	54	33	4
9,411,328	28,789,047	42,612,027	72,507,579	65,824,896	128,421,535	206	95	5
13,443,532	32,695,189	9,774,834	12,639,597	32,833,587	67,770,695	143	106	6
18,988,615	40,198,522	30,507,086	49,889,173	64,951,617	114,551,907	112	76	7
5,507,753	19,445,698	19,780,271	47,528,561	27,997,591	76,352,199	253	173	8
11,840,704	25,321,077	77,494,425	106,521,980	117,377,324	177,811,833	114	51	9
3,600,727	10,138,143	2,909,063	5,618,401	8,977,333	22,057,090	182	146	10
45,940,353	111,389,672	131,363,282	179,425,661	209,548,460	378,022,815	142	80	11
6,661,005	18,812,787	19,559,227	34,277,219	32,004,794	68,164,019	182	113	12
1,895,895	5,554,409	3,776,222	9,203,941	8,157,760	20,013,694	193	145	13
3,212,852	11,633,448	17,125,775	31,116,629	25,637,033	55,997,101	262	148	14
1,745,969	4,062,815	3,686,821	5,662,140	6,494,705	12,401,575	133	91	15
42,040,510	69,489,272	102,206,347	154,912,979	192,090,110	267,981,724	65	40	16
1,197,744	4,186,264	2,995,441	11,509,737	5,359,489	16,498,345	249	208	17
269,014	3,481,189	455,037	1,475,255	1,860,647	7,864,299	1194	323	18
6,474,364	9,717,011	13,664,295	12,385,220	32,297,420	28,900,560	50	10	19
683,164	5,366,188	1,116,470	8,819,498	2,655,036	19,114,714	685	620	20
2,744,821	4,104,361	1,006,891	1,396,912	4,999,273	7,294,143	50	46	21
2,648,422	4,671,831	15,595,078	25,113,874	23,650,795	39,180,844	76	66	22
65,982,133	148,389,063	103,345,083	171,145,156	214,378,468	412,701,872	125	93	23
2,644,155	7,589,349	6,503,164	15,280,572	11,506,857	29,870,946	187	160	24
25,048,414	48,792,752	40,011,090	55,125,830	85,004,618	135,627,332	95	60	25
9,144,100	22,118,522	8,028,621	12,140,985	21,154,571	41,051,004	142	94	26
6,635,522	14,111,747	9,341,352	16,160,802	21,303,107	37,311,539	113	75	27
6,701,475	18,263,272	15,210,951	35,861,585	29,167,227	67,241,013	173	131	28
55,451,510	95,736,192	191,271,150	327,272,845	296,557,685	478,687,519	73	61	29
6,492,688	10,857,967	10,373,540	16,593,660	22,333,291	36,215,511	67	62	30
31,845,974	87,784,433	146,155,385	231,555,618	233,268,729	403,667,575	176	73	31
10,238,885	25,363,521	12,743,345	26,868,904	31,415,180	62,595,762	147	99	32
7,098,794	13,066,383	8,361,227	14,435,563	19,254,739	36,868,169	87	91	33
30,531,657	105,083,075	32,460,395	68,858,915	90,789,341	275,452,515	244	203	34
2,132,255	5,605,626	17,062,552	24,930,532	23,390,767	40,438,171	163	73	35
8,525,355	13,746,584	33,951,297	42,223,314	55,109,914	74,309,388	61	35	36
244,339	10,450,970	576,301	13,891,005	1,024,243	30,644,072	4177	2892	37
4,381,572	6,989,478	34,999,101	67,918,723	43,705,218	85,001,198	60	94	38
1,411,133	8,553,026	3,382,354	14,712,379	6,227,284	29,412,813	506	372	39
7,997,752	16,030,845	19,968,716	24,674,225	38,081,643	52,970,801	100	39	40
1,260,023	1,782,491	2,074,049	1,826,770	4,829,566	5,441,303	41	13	41
9,146,705	19,680,318	19,208,683	46,351,200	34,519,723	69,154,599	115	100	42
158,300	1,122,353	8,171,900	25,285,191	8,411,100	28,188,826	609	235	43
1,305,739	7,594,395	2,857,000	10,628,314	5,127,842	23,147,434	482	351	44
47,389,087	76,660,742	164,371,551	203,095,572	267,252,913	337,768,524	62	26	45

1 Decrease per cent.

The chairman of this committee, Mr. Roger Q. Mills, had declared on the floor of the House in favor of "free men, free labor and free trade." He had further said: "The more confusion the tariff makes to business the better I like it, because then it will the sooner be done away with. I desire free trade and I will not help to perfect any law that stands in the way of free trade."

At the close of the debate the following colloquy occurred:

Mr. McComas (Rep.). "Has any friend of this bill in this debate uttered one sentence in favor of the American tariff system which discriminates in favor of the home producer and laborer?"

Mr. Hooker (Dem.). "No; there was no one, and you will not find any Democrat to utter one."

But to consider some of the main features of the bill. There were free wool and free lumber, free salt and free stone, free meat and free vegetables—on the other hand, rice, sugar and peanuts were left with a high duty on each. In short, while the duties on Northern productions were reduced to an average rate of 27 per cent, the duties on Southern productions were left at more than 75 per cent. The bill was a mass of inconsistent tariff legislation, and fortunate was it for the country that a Republican Senate stood in the way of its becoming a law. It became, however, the issue in the ensuing Presidential campaign with the result that Benjamin Harrison was elected President and a Republican majority was returned to the Fifty-first Congress.

*The decade,
1880 to 1890.*

The ten years from 1880 to 1890 were the most prosperous decade the United States ever experienced. The adverse legislation of 1883 and the constant menace of free trade brought about by Mr. Cleveland's election and message of 1887, together with the Mills bill agitation, had its effect, especially on the wool industry, but the beneficence of a protective tariff was felt on every hand and with the most marvelous results. Our wealth increased from \$43,000,000,000 to \$65,000,000,000, a gain of over 50 per cent. Our savings gained in like proportion. Our manufactures increased over 75 per cent; hands employed, 75 per cent; capital invested, 133 per cent, and wages paid, 140 per cent. We built 73,000 miles of railroad, and our production of iron and steel showed an increase of about 200 per cent. During these years, too, our national debt was decreased by \$998,679,940—nearly \$1,000,000,000.

An examination of Table No. 23, on pages 628 and 629, exhibiting the comparative growth of the principal manufactures of the United States from 1880 to 1890, will be found most satisfactory. The increase in wages earned being 118 per cent, while the increase in the value of the product is 73 per cent. It is safe to state that not in the history of the world is there to be found a period of ten years of such industrial progress as is shown by this table.

In closing the brief review of the legislation between 1860 and 1890, and the reference in a general way to the progress of the nation during the several decades spoken of, the writer has compiled the following table exhibiting the general features of the wonderful progress which has been made during the thirty years beginning with 1860 and closing with 1890.

TABLE NO. 24.

Table Showing General Progress of United States, 1860 to 1890. Compiled from Census Reports, and United States Statistical Abstract.

No.		1860.	1870.	1880.	1890.	Increase Per Cent 1860 to 1890.	No.
1	Population, ...	31,443,321	38,558,371	50,155,783	62,622,250	99	1
2	Wealth, ...	\$16,159,616,068	\$30,068,518,507	\$43,642,000,000	\$65,037,091,197	302	2
3	per capita, ...	\$514	\$780	\$870	\$1,039	102	3
4	Savings banks' deposits, ...	\$149,277,504	\$549,874,358	\$819,106,973	\$1,524,844,506	921	4
5	per capita, ...	\$4.75	\$14.26	\$16.33	\$24.35	413	5
6	Number of depositors, ...	693,870	1,630,846	2,335,582	4,258,893	514	6
7	Products of manufactures, ...	\$1,885,861,676	\$4,232,325,442	\$5,369,579,191	\$9,372,437,283	397	7
8	Number of establishments, ...	140,403	252,148	253,852	355,415	153	8
9	Capital invested, ...	\$1,009,855,715	\$2,118,208,769	\$2,790,272,606	\$6,524,475,305	546	9
10	Hands employed, ...	1,311,246	2,058,996	2,732,595	4,712,622	259	10
11	Wages paid in manufactures, ...	\$378,878,966	\$775,584,343	\$947,953,795	\$2,283,216,529	503	11
12	Material used, ...	\$1,131,005,092	\$2,488,427,242	\$3,396,823,549	\$5,162,044,076	356	12
13	Products of agriculture, ...	\$1,600,000,000	\$2,447,538,658	\$2,212,540,927	\$2,460,107,454	54	13
14	Farm values, ...	\$6,645,045,007	\$9,262,803,661	\$10,197,096,776	\$13,279,252,649	100	14
15	Products of mining, ...		\$152,598,994	\$369,319,000	\$587,230,662	285	15
16	Railroad mileage, ...	30,626	52,922	93,296	166,706	444	16
17	Manufactures of iron and steel, ...	\$98,330,584	\$207,208,696	\$296,557,685	\$478,687,519	387	17
18	Manufactures of iron and steel rails, tons, ...	183,070	553,571	1,305,212	1,885,307	930	18
19	All kinds of steel, chiefly ingots, tons, ...	11,838	68,750	1,247,335	4,277,071	36,030	19
20	Manufacture of pig iron, tons, ...	821,223	1,665,179	3,835,191	9,202,703	1,021	20
21	Production of wool, pounds, ...	60,364,913	100,102,387	232,500,000	276,000,000	357	21
22	Number of sheep, ...	22,471,475	28,477,951	49,765,900	44,336,072	97	22
23	Production of cotton, bales, ...	5,387,052	3,011,996	5,755,359	7,472,511	39	23
24	Manufacture of wool, cotton, ...	\$68,865,963	\$199,137,362	\$267,252,913	\$338,231,109	391	24
25	Production of wheat, bushels, ...	\$115,681,774	\$177,489,739	\$210,950,383	\$267,981,724	132	25
26	Production of corn, ...	173,104,924	287,745,626	459,483,137	468,373,968	170	26
27	Consumption of raw wool, pounds, ...	838,792,742	760,744,549	1,754,591,076	2,122,327,547	153	27
28	Consumption of cotton, pounds, ...	95,452,159	214,373,219	287,597,334	351,158,020	268	28
29	Chemicals, ...	422,704,975	398,308,257	750,343,981	1,117,945,776	164	29
30	Manufacture of silk, ...	\$4,705,741	\$19,417,194	\$38,173,658	\$59,352,548	1,161	30
31	Clay products, pottery, etc., ...	\$6,607,771	\$12,210,662	\$41,033,045	\$87,298,454	1,226	31
32	Printing and publishing, ...	\$2,463,681	\$6,045,536	\$41,810,920	\$44,827,785	737	32
33	Glass, ...	\$1,063,898	\$66,862,447	\$90,789,341	\$275,452,515	3,843	33
34	Foreign trade, ...	\$87,775,155	\$19,225,862	\$21,154,571	\$41,051,004	368	34
35	Immigration, total up to, ...	\$687,192,176	\$828,730,176	\$1,503,593,404	\$1,647,139,093	140	35
36	National debt (interest bearing), ...	5,285,335	7,735,855	10,690,550	15,866,772	200	36
37	Debt, per capita, ...	\$2,381,539,295	\$2,046,455,722	\$1,723,993,100	\$725,452,515	a70	37
38		\$70.05	\$60.46	\$38.27	\$14.22	a78	38

The renewed agitation of the tariff question brought to the notice of the public not only the industrial development which had taken place under protection during a period of thirty years, but the condition of the

Need of protection to build up new industries.

¹ Deduct one-fifth from all values. ² From Poor's Manual. ³ From Report of the American Iron and Steel Association. ⁴ From Department of Agriculture. ⁵ From North's Wool Book. ⁶ Estimated. ⁷ 1879. ⁸ 1889. ⁹ 1865. ^a Decrease per cent.

people; what they were doing, and what they were capable of accomplishing. Not only the great variety of articles which we had learned to make, but the vast number which we were still buying from Europe and unable to manufacture in our own factories under existing duties was brought to light. It was found that notwithstanding the marvelous development which had taken place in the manufacture of textiles, metals and other articles that the people of the United States were still importing each year vast quantities of goods which might be made at home. It was discovered that, while the duties were sufficiently high to afford ample protection to those engaged in the manufacture of nearly all coarser and more ordinary articles, it had as yet in many lines, not been increased to a point which would insure the production of more elegant and costly fabrics, as well as a number of the commoner sorts of articles. The duty upon tin plate had been so low that every effort to establish factories in America had been defeated by competitors from England. We had been buying \$250,000,000 worth of goods a year, which under proper tariff regulations could be made as well at home. The duties were so low on lace curtains, plushes, pearl buttons, worsteds, ladies' dress goods and a large variety of the finer fabrics that foreign manufacturers were successfully competing with our own people and preventing the establishment of these industries in the United States. The result was to deprive our own labor of employment in their production. By increasing the duties on this class of articles capital and labor would be turned to their production which would add greatly to the field of our enterprises and give additional employment to our capital and labor. Again, we were annually importing \$89,000,000 of sugar and molasses which was depriving the American farmer of a valuable industry. Continental countries, as has been shown, had developed a system of making sugar from beet roots. It was found that the States of Iowa, Kansas and Nebraska, and many other sections of our country were well adapted to the growth of this product, and that by extending to them proper protection, the incomes of their farmers could be greatly enhanced by the establishment of this industry. Not only the beet root industry was remaining undeveloped, but the cane sugar industry of Louisiana and Texas was languishing. Our population was increasing. The productive capacity of our people, through the use of machinery, was year by year greatly augmented and it was desirable to make as many opportunities for the employment of our labor as possible. Besides the tendency of all nations, with the exception of England, was found to be in the direction of developing domestic resources and producing and making at home everything possible. The protection and growth of agriculture, even in densely populated Europe, had been so great that the demand for foreign farm products was diminishing. Besides, the development of agricultural regions in South America and Australia had brought into the field new

*No hope
of an ex-
tensive
market
abroad.*

and strong competitors with our farmers in the European market. Again, Russia, Austria-Hungary and Roumania through the introduction of agricultural machinery and improvements in farming, were every year raising a large surplus of farm products, which were seeking this same market in competition with American farmers; and through railway communications lying nearer the markets of Western Europe than the United States, they were able to undersell them.

With these economic changes taking place throughout the world, with vast agricultural producing countries lying on every continent, with a surplus product for sale, and only a comparatively few people in the United Kingdom and Western Europe, who were purchasers of farm products, the chances of a foreign market for our farms were not only yearly diminishing, but the competition had become so great that sales must be made at prices which were unremunerative. The necessity for preserving the home market was not only greater than ever, but these circumstances had forced upon us the imperative duty of enlarging the home market. How then could this be accomplished? Not by moving in the direction of free trade and destroying industries already established; not by relying on the sale of our products in foreign countries, but by increasing the incomes and purchasing power of our own people, by enlarging the field of their occupations and employments. Not by tearing down, but by building up. Not by separating the farmer further from the consumer, but by bringing him nearer to the one who was to purchase his commodities. This could be accomplished by increasing the number of factories, the number of artisans and extending further that policy which since 1860 has brought about the most marvelous industrial growth and development.

*Need of
increasing
the home
market.*

But the wonderful advancement made during the past third of a century is, after all, but an indication of the possibilities within our reach. Our accomplishments, great as they have been, are yet but a beginning. Our vast territory, our almost inexhaustible resources, our tireless and ambitious people, possessing endless capabilities, all point to an expansion of national growth and industrial activity of a magnitude only to be measured by opportunity and time. It is only by a diversification of industry, employing every hand and with the greatest advantage to all, that this can be brought about. It is only by a vigorous and continued policy of protection that we can reap the advantages of our opportunities.

The Statistical Abstract of the United States shows that in 1890 we purchased from foreign countries manufactured articles of the value of \$295,897,655.

The following computation, based on the imports of 1889, was made by Colonel Albert Clarke, of the Home Market Club, of Boston, showing the employment which would be given to labor by the production of some of the principal articles imported into the United States, as follows:

DUTIABLE IMPORTS, 1889,
*And the Number of Men, Women and Children who would have been Em-
 ployed in Producing them in this Country.*

KIND OF GOODS.	Amount Imported.	Men.	Women.	Children.	Total.
Cotton hosiery, ...	\$6,389,325	4,025	14,088	2,013	20,126
Musical instruments and parts thereof,	1,721,428				8,000
Steel billets, ...	2,460,390	3,250			3,250
Firearms, ...	1,159,157	800			800
Coal-tar dyes, ...	1,686,456	1,500			1,500
Knit goods (cotton), ...					19,000
Files, ...	65,223				60
Cotton manufactures (bleached, dyed, colored, etc.), ...	3,696,194	1,343	1,672	74	3,089
Silks, ...	35,122,766				35,000
Still wines, ...	3,452,359	4,000	1,500		4,500
Condensed milk, ...	85,485	² 100			100
Cotton machinery, ...	2,445,379	1,600			1,600
Wood manufactures, ...	9,609,687	13,332			13,332
Feathers and flowers (artificial), ...	979,861	150	2,000		2,150
Thread, twine, etc., ...		230	420	150	800
Yarns, ...		180	320	100	600
Iron and tin plate, ...	21,669,669	38,050	1,750		39,800
Cutlery, ...	2,362,537	2,250	180		2,430
Brown or bleached linens, ducks, canvas, etc., ...	14,741,295	5,000	5,000	5,000	15,000
Corsets, ...	869,957	150	1,250		1,400
Clocks, ...	420,822	200	50	50	300
Cotton manufactures (not bleached, dyed, etc.; bleached, dyed, colored), ...	3,899,294	2,300	4,600	700	7,600
Iron and steel forging, ...	164,292	75			75
Iron and steel. Manufactures of cotton ties, hoops, bands, etc., ...	1,807,532	2,000			2,000
Stone, ...	431,839	1,000			1,000
Marble, ...	574,738	500			500
Thread, twine, etc., yarn, ...	1,435,331				2,000
Brass castings, ...	2,465,394	329			329
Paper, ...	2,542,383	300	350		650
Paints and colors, ...	1,249,811	40	15	10	65
Thread (not on spools), ...	860,703	204	262	309	775
Brushes, ...	654,651				1,500
Earthen, stone and china, ...	5,422,949	6,000	3,000	1,500	10,500
Chains of iron and steel, ...	84,600	45			45
Knit goods (wool), ...	1,623,736				900
Fish, ...	2,105,092	5,600	200		5,800
Fur dressed on the skin (not including manufactures of fur), ...	5,328,056				³ 50,000
Totals, ...	\$139,588,391	94,553	35,657	9,906	248,593

Now, if the importations of \$139,588,391 worth of goods kept out of employment in the same lines of production 248,593 persons in this country, it is inferable that the total dutiable imports deprived of similar work in this country nearly 800,000 people.

¹ Five hundred women and children two months in the year. ² One hundred men and women. ³ The number estimated to be employed in Europe.

These figures standing alone, important as they are, express only a small part of what might be accomplished by a revision of the tariff on the lines of protection to home industries. The Republican party, in entering upon the legislation of 1890, was prompted not only by a spirit of patriotism, but controlled by the same wisdom and statesmanship which had guided the founders of the republic in establishing the "American System." It had in view, not only the preservation of the industries already established but the extension of our field of production to all of those articles and wares which were being imported. This was a step in advance. It was an effort to plant new industries, to give increased employment to labor, to add to the incomes and opulence of our people and to aid in the development and enrichment of every State and territory. The future industrial growth of the United States involved a steady expansion of industries to keep pace with the increasing population, not only in the East, but in the South and West as well. Wonderful changes and new conditions had been forced upon us. The most important were found within our own borders. During the last quarter of a century an empire had arisen west of the Mississippi River, with boundless resources and a future filled with immeasurable industrial possibilities. The great Northwest, the States of Minnesota, the two Dakotas, Montana, Idaho, Washington and Oregon are larger in area than all the States lying east of the Mississippi River, excluding the State of Maine. With inexhaustible agricultural and mineral resources, with vast water power and with an industrious, enterprising and ambitious population, this territory alone is capable, under a proper system of diversified industries, of sustaining a population of 100,000,000 of people. Kansas and Nebraska, although presenting, during the past twenty-five years, a most marvelous accumulation of wealth, are now ready to add to their great agricultural development nearly every department of manufacturing. The Pacific States, Texas, New Mexico, Arizona, Colorado, Utah and Nevada can all increase their wealth and importance by diversifying their industries. The cities of the West would furnish a market for the fruits of California, while the wool and cotton of Texas would be worked up in factories near by. The new South has just entered upon an industrial career which is attracting to it the capital, skill and enterprise of the country. The last few years have produced most wonderful results as compared with the inactivity of a generation ago. Mills are being erected and put in operation to make up the cotton grown in the neighboring fields. Foundries are consuming the coal of the mines near by. Labor is being more and more fully employed, resulting in a constant increase of markets for products of Southern farmers. Within a few months the industrial exhibition held in Atlanta, Georgia, attracted the attention of the whole world, and from now on the South must be reckoned a most important factor of our industrial system.

The purpose of the protective policy of 1890.

Industrial progress of the South, from 1880 to 1890, under protection.

Not until 1880 had the South recovered sufficiently to begin manufacturing on a substantial basis. What it accomplished in ten years can be seen from the following:

STATE.	Year.	Wages.	Value of Product.
Alabama,	1880	\$ 2,500,504	\$ 13,565,504
"	1890	12,676,029	51,226,605
Arkansas,	1880	925,358	6,756,159
"	1890	5,749,888	22,659,179
Florida,	1880	1,270,875	5,546,448
"	1890	6,513,068	18,222,890
Georgia,	1880	5,266,152	36,440,948
"	1890	17,312,196	68,917,020
Kentucky,	1880	11,657,884	75,483,377
"	1890	27,761,746	126,719,857
Louisiana,	1880	4,360,371	24,205,183
"	1890	13,159,564	57,806,713
Maryland,	1880	18,904,965	106,780,563
"	1890	41,526,832	171,842,593
Mississippi,	1880	1,192,645	7,518,302
"	1890	4,913,863	18,705,834
North Carolina,	1880	2,740,768	20,095,037
"	1890	7,830,536	40,375,450
South Carolina,	1880	2,836,289	16,738,008
"	1890	6,590,983	31,926,681
Tennessee,	1880	5,254,775	37,074,886
"	1890	16,899,351	72,355,286
Texas,	1880	3,343,087	20,719,928
"	1890	18,586,338	70,433,551
Virginia,	1880	7,425,261	51,780,992
"	1890	19,644,850	88,363,824

It should be noted that, great as was the increase of product, the per cent increase in wages paid was still greater in every State.

It is most amazing to the protectionists of the country that the business men of the South should give a blind adherence to the policy of free trade, when the very progress which has taken place among them during recent years has been made possible through the protective tariffs which shield them from ruinous foreign competition. If manufactured goods were being poured into the country from the Old World they could not induce capitalists to build factories in their midst. They would be forced to sell their wares under such sharp and injurious competition that their enterprises would become unremunerative and languish and die out, and they would be left again to the production of cotton as the principal means of support. Their cities and towns would cease to grow and their people would be doomed to rural pursuits. The progress which has been made in developing diversified industries in the Southern States, during the ten years from 1880 to 1890, should furnish them a profitable lesson in economics.

The following table, compiled from the census of the United States, exhibits still further the progress which has been made in the Southern States under protection from 1880 to 1890:

Further evidence of progress in the South.

	1880.	1890.	Per cent.
Total population, ...	14,638,936	17,556,920	19.9*
Whites, ...	9,007,187	11,361,996	26.2*
Colored, ...	5,631,749	6,194,924	10.0*
Actual wealth, ...	\$6,098,000,000	\$9,751,815,635	62.5*
State debts (net), ...	\$118,195,252	\$96,460,126	18.4†
Total public indebtedness, ...	\$189,345,464	\$183,772,353	3.0†
Total State revenues, ...	\$13,249,866	\$26,533,260	100.0*
Banking capital, ...	\$92,575,000	\$171,690,670	86.1*
Capital invested during decade, ...		\$2,339,170,000	
Railroad mileage, ...	19,572	41,118	110.1*
Men employed, ...	86,250	188,731	118.8*
Cost of railroad equipment, etc., ...	\$612,000,000	\$1,301,096,740	110.9*
Number of manufactories, ...	34,563	56,714	64.2*
Capital, ...	\$179,366,230	\$551,483,900	207.0*
Value of product, ...	\$315,924,704	\$742,865,200	135.2*
Cotton mills, ...	161	334	107.4*
Value of products, ...	\$16,353,182	\$54,191,600	231.4*
Cotton seed products, value, ...	\$7,690,921	\$27,310,836	267.1*
Pig iron produced, tons, ...	290,772	1,684,663	480.9*
Steel produced, tons, ...	4,380	183,625	4,121.0*
Coal produced, tons, ...	3,820,550	17,536,456	362.9*
Precious metals, value, ...	\$225,176	\$712,789	218.0*
Total minerals, value, ...	\$3,643,020	\$35,608,615	877.5*
Value of lumber output, ...	\$35,680,151	\$102,122,100	183.4*
Value of forest products, ...	\$46,979,062	\$123,998,800	163.8*
Lands under crops, acres, ...	54,679,145	75,551,429	38.1*
Value of agricultural machinery, etc., ...	\$67,372,500	\$120,750,000	79.2*
Cotton produced, bales, ...	5,733,675	7,776,215	3.6*
Value, ...	\$258,524,911	\$340,268,005	32.6*
Fruit, value, ...	\$9,084,173	\$24,620,500	171.0*
Total value of farm products, ...	\$611,679,145	\$984,707,000	60.9*
Value, livestock, ...	\$360,066,883	\$555,905,108	54.1*
Schools, ...	44,260	66,647	50.1*
Teachers, ...	49,182	74,055	50.5*
Pupils enrolled, ...	2,018,640	3,359,173	67.8*
Attendance, ...	1,391,743	2,181,109	56.9*
School revenues, ...	\$5,607,081	\$14,767,396	163.6*

* Increase.

† Decrease.

The States lying west of the Mississippi River are just entering upon industrial careers, and so far as manufacturing is concerned, are where the Eastern and Middle States were in 1860, yet not so far advanced. To them the application of protection to infant industries is as necessary as it has ever been to the Eastern and Middle States since the formation of the government. Their future prosperity and development requires that manufacturing centres shall be established everywhere within their borders.

*Need of
protection
in West.*

The near markets which this would afford to their farmers, the exchange of commodities between the farms and villages, the increased employment to labor, the expansion of business enterprises would add immeasurably to their wealth; but if the development of manufacturing in the United States should be arrested, their energies would be confined almost exclusively to agriculture.

If the New England States needed protection to infant industries in 1828; if the Northeastern and Northern States needed protection to infant industries thirty-five years ago to assist them in a diversified industrial development, certainly the great States of the South and West have quite as much need of protection to-day, because they are new countries, just upon the threshold of their industrial lives and require all the influences of protection to aid them in the establishment of industries. The future industrial progress of the United States requires the extension of manufacturing to the South and the West. The people of those sections will not long continue to pay freight on their cotton, wool, iron and coal to send it to New England for manufacture and again pay freight on agricultural implements, building materials, household utensils and cloths to carry them all the way back to the South and West for consumption. If their home markets are secured to them from the destructive competition of cheap foreign manufactures, they will soon manufacture for themselves a large portion of those coarser fabrics and wares for which they have been depending on the Northeastern and Eastern States. That this is the ultimate destiny of these States is absolutely certain, unless through the adoption of free trade the development of this side of their industrial life is made impossible. A continuation of protection will insure the development of manufactures in the South and West.

*Continued
protection
necessary
in the East
and North.*

But what of the East, of New England and the Central Northern States? What of the old seats of industry? It is an important fact to be taken into account in considering the farther extension and development of manufacturing in these States, that notwithstanding the wonderful progress that has been made in the various lines of manufactures, the application of machinery and inventions, and the cultivation of taste and skill, the people of the United States have scarcely passed beyond the production of coarse and ordinary articles. Yet still we may be said to be approaching the highest degree of skill and taste. We have certainly shown ourselves capable of making many things which the free traders for years contended could not be produced outside of Europe. In bleaching, dyeing, printing, and especially in designing the more beautiful and costly textile fabrics we are inferior to France, Germany and Switzerland. We rely on Europe for over \$200,000,000 worth of manufactured goods and articles which find a market among us solely because of their superior excellence. The production of these fabrics and articles in Europe has been attained through long years of education and training of artisans, aided and encouraged by a most vigorous system of protection. The establishment of schools of technical learning in which the study of chemistry and all the scientific phases of textile manufacture is pursued and in which instruction is given in the art of designing has placed Continental Europe ahead of the rest of the world, and the superior fabrics manufactured there find markets among the wealthy families of all countries, despite protective

tariffs. The question arose, was the United States to advance to the production of the more refined and costly articles which are now being made in Europe? It had been demonstrated by years of experience that the duties on certain articles of this class were not sufficiently high to induce the application of capital and labor to the development of a high degree of proficiency in these departments.

This was the great industrial problem confronting Congress in 1889, as it appeared to the Republican party upon its being restored to power. This presented a progressive question, not only in its application to changing economic conditions in the United States, but it also had a direct bearing on the future industrial pre-eminence of the country. As the production of many of the coarser articles would be transferred to the West and South, the older manufacturing centres of the East, with their capital, their plants and their industrial population would be directed to the manufacture of the more costly and refined articles which were then being imported from Europe. The most enlightened advocates of this progressive policy had in view the establishment of technical schools in which the artistic skill and taste, which is becoming so marked among our people, would become fully developed and directed to designing and making the most beautiful, costly and elegant wares and fabrics. Through this policy the industrial life of the people would become fully rounded out and the United States would ultimately become supreme in every department of manufacturing, and every faculty, every taste, every aptitude, and every phase of the genius of our people would be given an opportunity to assert itself and reach the highest degree of perfection. The world has reached such a point in industrial development through the progress of manufacturing in all countries that foreign markets are contested for with more strife than ever before. We are living in an age of excessive production. If the United States gains a foothold in foreign markets it must be through the superior skill of its people. When we make articles more beautiful and more desirable than our competitors, they will be sought after and readily sold, but we cannot rely on cheapness as a means of conquering foreign markets without reducing the wage rate of our artisans to the same level or below that of Europe. Industrial supremacy based upon a sacrifice of the homes, comforts and incomes of our wage-earners is purchased at too high a price.

In keeping with the will of the people, as expressed in the election of 1888, and in harmony with the principles of the Republican party, the Fifty-first Congress entered upon a revision of the tariff for the purpose of promoting the welfare of the people of the United States, to whom alone it owed allegiance. Thomas B. Reed, of Maine, was elected Speaker of the House of Representatives, and selected as chairman of the Ways and Means Committee, William McKinley, Jr., of Ohio. Mr. McKinley's associates on that committee were as follows: Burrows, Michigan; Dingley,

*Protection
necessary
for further
progress.*

*The
McKinley
bill.*

Maine; Payne, New York; Bayne, Pennsylvania; McKenna, California; La Follette, Wisconsin; Gear, Iowa; Carlisle, Kentucky; Mills, Texas; Breckinridge, Arkansas; McMillin, Tennessee; Flower, New York. It will be seen that the whole country was represented from Maine to California—from Michigan to Texas. New York as the Empire State was represented by one Republican and one Democrat. The Southern States had four representatives, the Western States five, Pennsylvania one and New England one. The committee met with open doors and gave a respectful hearing to all interests from every part of the country. Even importers and representatives of British industries were treated courteously and their statements given consideration. When the bill reached the Senate it had the benefit of the revision of men like Morrill, the author of the tariff of 1861, of John Sherman and John P. Jones, and of Nelson W. Aldrich and Mr. Hiscock, of New York, all of whom had had large experience in tariff matters and intimate knowledge of the industries of the country.

The bill became a law October 1, 1890, going into effect October 6. While no tariff bill can be perfect or entirely acceptable to all, still the McKinley act was the most protective tariff law ever framed. The principles of protection were kept paramount to everything else. There was no discrimination as to any section or any class. Mr. McKinley in his speech in the House, May 7, 1890, said:

*Important
features
of the
McKinley
bill.*

The tariff part of the bill contemplates and proposes a complete revision. It not only changes the rates of duty, but modifies the general provisions of the law relating to the collection of duties. These modifications have received the approval of the treasury department and are set forth in detail in the report of the committee, and I will not weary this committee in restating them here. A few of the more important changes, however, are deserving our attention.

There has been for many years a provision in the law permitting the United States to import for its use any article free of duty. Under this provision gross abuses have sprung up, and this exemption from duty granted the United States, has served as an open doorway to frauds upon our revenue and unjustifiable discriminations against our own producers. Not only has the government imported supplies from abroad, but its officers, agents and contractors have been held to enjoy the same privilege, which has been exercised to the injury of our own citizens. The result has been that the supplies imported by contractors for governmental work have, in many instances, been in excess of the demand for such public work and have been applied to other and different uses. This provision of law has been eliminated in the proposed revision. Your committee have been actuated in this by the belief that the government should buy what it needs at home; should give its own citizens the advantage of supplying the United States with all of its needed supplies, and that the laws which it imposes upon its own people and taxpayers should be binding upon the government itself.

The committee have also fixed a limit upon the amount and value of personal effects accompanying the passenger returning from foreign travel to \$500. It has been too common for citizens of the United States visiting other countries to supply themselves not only for their immediate uses, but for future uses and for the uses of their friends, and there has heretofore been no limit to the amount and value of foreign articles which could be brought in free of duty under the designation of

"personal effects" if accompanied by the returning passenger. The practical effect of this provision was that the wealthy classes who were able to visit distant countries secured exemption from the payment of duties, while the average citizen unable to go abroad was compelled to pay a duty upon the articles which he might want to use. The limit of \$500 is believed to be sufficient for all honest purposes.

We have also introduced a new provision in the bill which requires that foreign merchandise imported into the United States shall be plainly stamped with the name of the country in which such articles are manufactured. There has been a custom too general in some foreign countries to adopt American brands to the injury of our own manufacturers. Well-known articles of American production with high reputation have been copied by the foreigner and then by the addition of the American brand or American marks have fraudulently displaced American manufacture, not in fair competition, but under false pretences. The counterfeit has taken the place of the genuine article, and this we propose to stop. England has felt the injustice of fraudulent marking, and stringent laws have been enacted to provide against false indications of origin abroad.

Section 49 of the bill provides that goods, wares and merchandise and all articles manufactured in whole or in part in any foreign country by convict labor shall not be entitled to entry at any of the ports of the United States, and the importation thereof is prohibited. Nearly, if not all, of the States of the Union have laws to prevent the products of convict labor in the state penitentiaries from coming into competition with the products of the free labor of such States. The committee believed that the free labor of this country should be saved from the convict labor of other countries, as it has been from the convict labor of our own States, and so recommended this provision. It will be of small account to protect our workmen against our own convict labor and still admit the convict-made products of the world to free competition with our free labor.

By way of encouraging exportation to other countries and extending our markets, the committee have liberalized the drawbacks given upon articles or products imported from abroad and used in manufactures here for the export trade. Existing law refunds 90 per cent of the duties collected upon foreign materials made into the finished product at home and exported abroad, while the proposed bill will refund 99 per cent of said duties giving to our citizens engaged in this business 9 per cent additional encouragement, the government only retaining 1 per cent for the expense of handling. We have also extended the drawback provision to apply to all articles imported which may be finished here for use in the foreign market. Heretofore this privilege was limited. This, it is believed, will effectually dispose of the argument so often made that our tariff on raw materials, so called, confines our own producers to their own market and prevents them from entering the foreign market, and will furnish every opportunity to those of our citizens desiring it to engage in the foreign trade. Now, the bill proposes that the American citizen may import any product he desires, manufacture it into the finished article, using in part, if necessary, in such manufacture, domestic materials, and when the completed product is entered for export, refunds to him all but 1 per cent of all the duty he paid upon his imported materials. That is, we give to the capital and labor of this country substantially free trade in all foreign materials for use in the markets of the world. We do not require that the product shall be made wholly of the foreign material. Already, under special provisions of laws and regulations of the treasury department, parts of a finished product made here and attached to the finished article do not deprive the exporter of his drawback. We have extended this provision and in every way possible liberalized it, so that the domestic and foreign product can be combined and still allow to the exporter 99 per cent upon the duty he pays upon his foreign material intended for export; which is, in effect,

Free raw materials.

what free traders and our political opponents are clamoring for—namely, free raw material for the foreign trade. And if you are desirous of seeing what you can do in the way of entering the foreign market, here is the opportunity for you.

Eighteen articles were taken from the free list and made dutiable, while forty-four articles were transferred from the dutiable to the free list, making 288 articles altogether that came in free. Not only that, but it was found that under the actual workings of the law over 50 per cent of our imports bore no duty. This was thoroughly in accordance with the principles of a protective tariff, that any article which we do not and cannot produce with profit in this country with the exception of a few luxuries, the duty on which serves for revenue and is in no way burdensome, shall come in absolutely free.

*Bounty on
the produc-
tion of
sugar—Its
effects.*

We were, at the time of the passage of the McKinley bill, producing about one-eighth of the sugar we consumed. To be exact, during the year 1890 we consumed 1,578,478 tons, of which 1,357,704 tons were imported, paying a duty of \$53,985,874. This \$53,000,000 came out of the pockets of the people, who were saved this whole amount by the removal of the duty. But the sugar industry of the country was not to be abandoned. We were producing one-eighth of our consumption and with encouragement and protection would in another decade produce at least one-half our needs, in fact many experts estimate that in twenty years at the longest we could produce our total consumption, amounting then probably to 6,000,000,000 pounds. It was not an industry, however, to be built up in a day or a year, although it was shown to be capable of wonderful development in a number of years. \$50,000,000 to \$60,000,000 was, however, too great a sum to be annually drawn from the purses of the people for this purpose. Accordingly a bounty of one and three-quarter cents and two cents per pound were given to the producers of sugar from beets, sorghum or cane grown in the United States. Again had the principles of protection triumphed. The producer of an American product only partly developed received ample protection without directly taxing the consumer.

We were following in the footsteps of other nations, such as Germany, France, Austria-Hungary, Belgium, Holland, Russia, Italy and Spain, all of which had built up and were maintaining their sugar industry by bounties, excise or export laws. The effect of this portion of the bill was a thorough vindication of the policy adopted. Our consumption increased from 1,500,000 tons in 1890 to nearly 1,900,000 tons in 1891. The consumption was about the same in 1892 and 1893. The difference in price enabled the people to save over \$100,000,000 annually in spite of the increased consumption. And to do this the government paid a bounty of \$7,330,044 the first year. But the saving to the people was not all. Over \$20,000,000 capital was put into new establishments,

giving employment and wages to thousands of men, with the following result:

	1890. Tons.	1893. Tons.
Production of cane sugar, ...	134,844	270,000
“ “ beet sugar, ...	2,800	24,500

To sum up: The abolishment of the duty on sugar and the giving of a bounty instead, reduced the revenue about \$60,000,000 annually. It saved this amount to the people besides saving over \$100,000,000 annually in price. It gave employment and wages to thousands of people, enabling them to double our production in two years, and the total cost was less than \$10,000,000 annually, which was no loss, as it all went into the pockets of our own people.

Perhaps there was no paragraph of the McKinley bill which met with greater opposition from the free traders than the paragraph which levied an increased duty on tin plate. In 1864 a duty of two and one-half cents per pound was fixed on tin plate in the following words:

Tin plate.

“ On tin plate, and iron galvanized or coated with any metal by electric batteries or otherwise, two and one-half cents per pound.”

This clause covered tin plates, terne plates and galvanized and enameled plates, the latter being unimportant manufactures, of which tin is not a part. Had this duty remained in force it would have made a difference of hundreds of millions of dollars to the American laborer and consumers of tin plate in this country. The Secretary of the Treasury, however, Mr. William Pitt Fessenden, acting under a power vested in him, rendered a decision which practically nullified the law. On July 22, 1864, Mr. Fessenden wrote to Hiram Barney, Collector of the Port of New York, as follows:

It would appear that an error of punctuation was made by some one; most probably a clerk who engrossed that part of the act. If the comma which is inserted after the word “plate” be omitted, and a comma be placed after the word “iron,” the true sense will be had, which unquestionably is, that tin plates, as well as iron, must be galvanized or coated with any metal by electric batteries or otherwise, in order to bring them within the provision.

There was another clause in the tariff law, which read:

“ Tin in sheets or plates, terne and taggers’ tin, 25 per cent ad valorem.”

The consequence was that tin plate was made subject to a duty of 25 per cent ad valorem instead of two and one-half cents per pound. The latter duty would have protected and developed the tin plate industry in this country; the former did not, and the attempt to manufacture it was a failure. In 1873, however, there were four tin mills started here and tin plate as good in every respect as that imported was made—and at a lower

price than the foreign, namely, \$11 per box. But as soon as the Englishmen heard of it what did they do? Just what they have always done and what they always will do when they find us unprotected. First they reduced their prices lower and lower until they went to less than \$5 per box. By this time our manufacturers could no longer compete and were forced to stop manufacturing. Just as soon as this was accomplished up went the English prices again and for nearly twenty years we were at their mercy. The total quantity of tin plates imported in the twenty years from 1871 to 1891 was 3,622,750 gross tons, the foreign value being \$307,341,404. In addition to this we paid freights and importers' profits. But for that decision of Mr. Fessenden all those millions and doubtless many more would have gone into the pockets of the American people. There is no better example of the cut-throat methods of English manufacturers than in this tin plate history. They could well let us have their tin plates for a year or two at cost and then as soon as our own industry was ruined and our market gained make us pay year after year double price as they did compel us to do.

*Effect
of the
McKinley
act on the
production
of tin plate.*

But the McKinley bill finally came to the rescue. A duty of 1.85 and 2.2 cents per pound varying according to gauge was imposed and so confident were the framers of the bill that American manufactures would at once be established that a clause was inserted providing that if in six years we did not make at least one-fourth our consumption of tin and terne plates, lighter in weight than sixty-three pounds per hundred square feet, they should be admitted free. What was the result? First as to imports:

IMPORTS OF TIN PLATES.

Fiscal Year.	Pounds.	Value.
1891, ...	1,036,489,074	\$35,746,920
1894, ...	454,160,826	11,969,518

It must be remembered that the tin plate clause of the McKinley bill did not go into effect till July 1, 1891. Now what have we accomplished? The following is from the report of the secretary and treasurer of the Tinned Plate Manufacturers' Association of the United States, for 1895:

We have now in this country, completed and in course of construction, thirty-four tin plate works. These works have a total of one hundred and seventy-seven hot finishing mills, all of which will be completed and in operation by the month of June next. The capacity of these mills will exceed an annual production of 260,000 tons of finished product, and will furnish employment to 11,000 or 12,000 hands. In looking over the returns we have at hand I find that there are one hundred and eight finishing mills completed and in operation at the present time. These, as you will perceive, have a capacity of a little over 160,000 tons of finished product per annum, give employment to 7000 or 8000 hands, capital invested about \$5,500,000 and wages paid about \$4,500,000, if the mills are operated full time—that is to say, about forty-five weeks in the year. The tin plate clause of the McKinley bill went into effect on July 1, 1891. In less than a period of four years the American tin plate industry has so developed as to more than meet the requirements

of the home market. Such growth is unparalleled. No other industry, even with the stimulus of highest protective duties, has ever made such progress in the same period of time. It may be interesting to all concerned to know that the tin plate works in England and Wales have an aggregate of five hundred and nineteen mills. Of this number two hundred and thirty-two mills were idle during the year 1894.

This has been done with no material increase in price, so that the consumer has not suffered in the least. Not only have many thousands been given direct employment with American wages, but thousands more have been employed in allied and kindred industries. The carpenter who builds the mill benefits as does the workman within the mill. The brakeman on the railroad engaged in transportation, shares the fruits of manufacture with the worker on the product itself.

Mr. W. C. Cronmeyer, a competent authority, made the following estimate of the number of persons that would be given employment in the production of the tin plate necessary to supply the present demand of the American people:

*Importance
of the tin
plate
industry.*

Material required to produce the 350,000 tons tin plate, of terne plate, taggers' tin and taggers' iron annually imported.	Persons required to produce such ma- terial in one year.
2,000,000 tons of coke and coal, ...	2,000 men.
1,000,000 tons of iron ore	1,200 "
450,000 tons of pig iron, ...	4,500 "
15,000 tons of Dakota block tin, ...	5,000 "
3000 tons of lead, ...	300 "
6500 tons of tallow or palm oil, ...	750 "
20,000 tons of sulphuric acid, ...	750 "
30,000,000 feet of box lumber, ...	600 "
To turn pig iron into fine sheet iron, 50 men to every 1000 tons, . . .	17,500 "
To turn fine sheet iron into tin plate, terne plates, etc., to every 1000 tons five women, ...	1,750 women.
To every 1000 tons seven men, ...	2,450 men.
To keep machinery in repair and produce packing, lubricating oils and mill supplies, ...	2,000 "
Railroad carriage to transport these materials from place to place, . . .	1,000 "
Total, ...	39,800

These men so employed will in turn again give employment to preachers, teachers, lawyers, farmers, physicians, butchers, grocers, shoemakers, tailors and dressmakers, carpenters, masons, state, county and municipal employees.

These people will provide a livelihood for about 240,000 people, these 240,000 people thus employed, being 4-10 per cent of the present population of the United States.

When Mr. Lascelles Carr, editor of the Cardiff, Wales, Western Mail, visited Washington in 1893, he was introduced to President Cleveland. One of the newspaper correspondents accompanying the party facetiously remarked to the President that Mr. Carr had come from Wales

*Misrepresentation
by free
traders as
to the tin
plate
industry.*

to look for some tin plate works which the Republican party had established, whereupon Mr. Cleveland made the following reply :

" Well, Mr. Carr, when you do find them be sure and let me know their exact locality for we have been searching for these tin plate works for some years and have failed to find them."

Perhaps the rank and file of free trade orators and editors can hardly be blamed for their wholesale misrepresentation about tin plate when the head of the firm, the great leader, the " savior " of free trade in this country, weighted down with the mantle of Cobden, could sneeringly make such a statement when more than a score of works and more than a hundred mills were even then turning out thousands of boxes daily, when on thousands of roofs tinsmiths were nailing American-made terne plate, when tons of fruit and berries were being preserved in cans made from American tin plate, and thousands of laborers were daily carrying to their work dinner pails made of American tin plate.

Reciprocity

If James G. Blaine had left no other legacy to the people of the United States, the reciprocity clause of the McKinley bill alone would have left us forever in his debt. No sooner did he become Secretary of State than he began to think of closer commercial union with the countries south of us and his scheme of a Pan-American union became a reality and a success. Mr. Blaine found that 87 per cent of the importations into the United States from Central and South American States were free of duty, while nearly every class of articles forming the total of our exports to those States was subject to high duties on entering their ports, and besides, that many of the articles sent from those states to this country, and entered here free, were subject to heavy export duties at home. He recommended the so-called reciprocity amendment to the McKinley bill. It was an innovation and produced no little controversy. Senator Mitchell, of Oregon, was the first to advocate it and he was soon followed by all the Republican Senators. The New York Produce Exchange held a meeting and passed resolutions in favor of the scheme, which action was followed by nearly all the commercial bodies in the country. Public sentiment was strongly in favor of it, all opposition of Republican members of Congress soon vanished and the following paragraph was made a part of the McKinley law :

*Reciprocity
clause of
the Mc-
Kinley act.*

Section 3. That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the first day of January, 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and

hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea and hides, the product of or exported from such designated country as follows, namely:

All sugars not above number thirteen, Dutch standard in color, shall pay duty on their polariscopic tests as follows, namely:

All sugars not above number thirteen, Dutch standard in color, all tank bottoms, syrups of cane juice or of beet juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above seventy-five degrees, seven-tenths of one cent per pound; and for every additional degree or fraction of a degree shown by the polariscopic test, two hundredths of one cent per pound additional.

All sugars above number thirteen, Dutch standard in color, shall be classified by the Dutch standard of color, and pay duty as follows, namely: All sugar above number thirteen and not above number sixteen, Dutch standard of color, one and three-eighths cents per pound.

All sugars above number sixteen and not above number twenty, Dutch standard of color, one and five-eighths cents per pound.

All sugars above number twenty, Dutch standard of color, two cents per pound.

Molasses testing above fifty-six degrees, four cents per gallon.

Sugar drainings and sugar sweepings shall be subject to duty either as molasses or sugar, as the case may be, according to polariscopic test.

On coffee, three cents per pound.

On tea, ten cents per pound.

Hides, raw or uncured, whether dry, salted, or pickled, Angora goat-skins, raw, without the wool, unmanufactured, asses' skins, raw or unmanufactured, and skins, except sheep-skins, with the wool on, one and one-half cents per pound.

Immediately upon the passage of the tariff bill negotiations were entered into with the governments of Central and South America and with Germany and France for the purpose of effecting commercial treaties in accordance with its provisions. On June 27, 1892, the President of the United States sent to the Senate a message containing the following statement of the treaties which had been signed and those which had been agreed upon but not fully ratified:

These agreements, so far as proclaimed, are as follows:

1. With the United States of Brazil, concluded January 31, proclaimed February 5, went into effect April 1, 1891.
2. With Spain for the colonies Cuba and Puerto Rico, concluded June 16, proclaimed August 1, and went into effect September 1, 1891.
3. With Santo Domingo, concluded June 4, proclaimed August 1, went into effect September 1, 1891.
4. With the German Empire, concluded January 30, proclaimed February 1, went into effect February 1, 1892.
5. With the Republic of Salvador, concluded December 30, proclaimed December 31, 1891, and went into effect February 1, 1892.
6. With the British West India Colonies, including Trinidad, Barbados, the Leeward Islands, the Windward Islands, British Guiana, Jamaica and their dependencies, concluded February 1, proclaimed February 1, and went into effect February 1, 1892.

*Reciprocity
treaties.*

7. With the Republic of Nicaragua, concluded March 11, proclaimed March 12, and went into effect March 12, 1892.
8. With the Republic of Guatemala, concluded December 30, proclaimed May 18, went into effect May 30, 1892.
9. With the Republic of Costa Rica, still pending ratification by the Congress of the Republic.
10. With the Republic of Honduras, concluded April 29, proclaimed April 30, went into effect May 25, 1892.
11. With France and her colonies, still pending ratification by French Chamber.
12. With Austria-Hungary, concluded May 25, proclaimed May 25, went into effect May 26, 1892.

This was a practical and definite step taken toward the extension of our foreign trade. By admitting free of duty sugar, tea, coffee, hides, rubber, dyewoods and tropical fruits from these countries, while we would not injure a home industry we would force them to admit our produce upon favorable terms. By the concessions gained, France and Germany were compelled to withdraw discriminations against our pork, and the South American countries placed many of our commodities on the free list and reduced duties on many others 25 and 50 per cent. The treaties made with the ten countries in the Western Hemisphere secured favorable concessions on over two thousand different articles.

The distribution of our foreign trade in 1892 is exhibited by the table on the next page.

*Expansion
of trade
resulting
from the
policy of
reciprocity.*

It will be observed that the total balance of trade in our favor was \$202,875,686. That this was made up of favorable balances with all countries of Europe, excepting Italy; while the balance of trade was against us, with the British North American possessions and all Central and South American countries, amounting to over \$117,000,000. The excess of goods purchased from South America was paid for in cash or its equivalent, which was sent to Europe by these people to purchase manufactured articles.

Take the trade of one country with Great Britain and we find that England increased her exports to Brazil from \$18,691,759 in 1859 to \$35,212,000 in 1889; while the exports from the United States to that country were only \$6,018,901 in 1859, \$7,137,000 in 1888, and \$11,972,214 in 1890. Similar figures might be given for other countries. It is sufficient, however, to state that if there is any part of the globe in which American manufacturers are able to compete with Europe in any line of production, such as coarse cotton goods, farming implements, hardware, tools, etc., it is in South America. While the establishment of trade relations in foreign countries cannot be effected in a day, and an increased trade, even under favorable conditions, must be of slow growth, yet the results which immediately followed the signing of these treaties attested their benefit to the people of the United States and proved the wisdom of the policy.

Distribution of Our Commerce by Leading Countries and Grand Divisions of the Globe During the Fiscal Year Ending June 30, 1892.

COUNTRIES AND GRAND DIVISIONS.	Exports.			Imports.	Total exports and imports.	Excess of exports (+) or of imports (-).
	Domestic.	Foreign.	Total.			
COUNTRIES.						
United Kingdom, ...	\$493,957,868	\$5,357,464	\$499,315,332	\$156,300,881	\$655,616,213	+\$343,014,451
Germany, ...	104,180,732	1,340,826	105,521,558	82,907,553	188,429,111	22,614,005
France, ...	97,899,132	1,230,575	99,126,707	68,554,793	167,681,500	30,571,914
Belgium, ...	47,713,121	1,071,996	48,785,117	10,273,061	59,058,178	38,512,056
Netherlands, ...	43,556,865	361,119	43,917,984	10,886,802	54,804,786	33,031,182
Italy, ...	14,223,947	93,835	14,317,782	22,161,617	36,479,399	7,843,835
British North American Possessions, ...	42,580,578	2,305,410	44,885,988	35,334,547	80,220,535	9,551,441
Mexico, ...	13,696,531	597,468	14,293,999	28,107,525	42,401,524	13,813,526
West Indies, ...	37,600,708	907,595	38,508,303	99,606,305	138,114,608	61,098,002
Brazil, ...	14,240,009	51,864	14,291,873	118,633,604	132,925,477	104,341,731
China, ...	5,663,471	26	5,663,497	20,488,291	26,151,788	14,824,794
British India and East Indies, ...	3,674,141	166	3,674,307	24,773,107	28,447,404	21,098,800
Japan, ...	3,288,282	1,829	3,290,111	23,790,202	27,080,313	20,500,091
All other countries, ...	93,459,626	1,225,964	94,685,590	125,584,174	220,269,764	30,898,584
Total, ...	\$1,015,732,011	\$14,546,137	\$1,030,278,148	\$827,402,462	\$1,857,680,610	+\$202,875,686
GRAND DIVISIONS.						
Europe, ...	\$841,087,922	\$9,535,228	\$850,623,150	\$391,628,469	\$1,242,251,519	+\$458,994,681
North America, ...	101,463,351	4,102,833	105,566,184	174,054,181	279,620,365	68,487,997
South America, ...	32,573,922	573,692	33,147,614	150,727,759	183,875,373	117,580,145
Asia, ...	19,581,056	9,294	19,590,350	80,138,251	99,728,601	60,547,901
Oceania, ...	15,274,896	297,871	15,572,767	23,133,062	38,705,829	7,560,295
Africa, ...	5,035,162	26,103	5,061,265	5,318,052	10,379,317	256,787
All other countries, ...	715,702	1,116	716,818	2,402,688	3,119,506	1,685,870
Total, ...	\$1,015,732,011	\$14,546,137	\$1,030,278,148	\$827,402,462	\$1,857,680,610	+\$202,875,686

Distribution of foreign trade of the United States.

Our domestic exports to Cuba in 1889 amounted to \$11,297,198; in 1893 to \$23,604,094. To Porto Rico they increased from \$2,247,700 in 1890 to \$2,808,631 in 1892. In 1889 our exports to Salvador amounted to \$690,884 in 1892 to \$1,274,021. Brazil shows the following increase: 1889, \$9,276,511; 1892, \$14,240,019. Bolivia, 1889, \$6,838; 1893, \$24,849. British Guiana, 1889, \$1,643,249; 1893, \$1,953,012. British Honduras, 1890, \$348,564; 1892, \$464,802. Mexico, 1889, \$10,886,288; 1893, \$18,891,714. Germany, 1889, \$66,518,695; 1892, \$104,180,732. Guatemala, 1889, \$969,871; 1892, \$1,809,577. The repeal of the reciprocity clause by the Gorman-Wilson bill has already, in a single year, destroyed this advantage and in many instances duties have been again imposed on goods imported from the United States to those countries with which treaties had been made. The loss is double, for we not only have the burden of a duty on sugar, but lose the markets of many countries as well.

These treaties were based upon the true American spirit and designed to promote the welfare of our people and the commercial greatness of our country. The geographical situation and resources of the West and South made this policy peculiarly beneficial to those sections of our country. Such outlets would enlarge the market for the manufacturing which must surely arise in those localities. Again, the States bordering on the Gulf of Mexico would lie nearest and most accessible to this market, and through the building of cotton mills, the development of iron mines, the constructing of iron furnaces, and the extension of industries, which are now taking place in the new South, they would be furnished with a more accessible market than could be found in any other quarter. Besides, it would encourage ship-building and the establishment of ship-yards in Mobile, New Orleans and Galveston. Neither the West nor the South could expect to find a market for their manufactures in Europe. It seems as if this bill was especially designed to benefit those sections of the United States. It is a most astonishing fact that the representatives from the Western and Southern States should have been so blinded to the future commercial welfare of their constituents as they were when they joined hands with Mr. Cleveland and his free trade associates and wiped this law from the statute book. The repeal of this law was certainly an injury to the trade of the United States. To prevent at once the United States from gaining a foothold in South and Central America, would certainly confer a great benefit on Great Britain. During the last twenty years England has been suffering severely from competition in China, Japan and India. Russia and nearly all Continental Europe are not only closing their ports against English goods, but are building up industrial systems through which they are becoming her rivals. Southern and Central America during the past twenty years have been a fruitful field for her commercial transactions. Great Britain is guarding this trade by all the means at her disposal. To step in and divide this trade with

The wisdom of reciprocity with South and Central America.

her and Europe would greatly benefit American commerce. There has been no dispute but that the extension of our trade in this region could be secured in this way. If the advocates of free trade were really solicitous of the welfare of the United States and desirous of extending our markets in foreign countries, instead of destroying the reciprocity treaties, they should have upheld them. But the dogmatic free trader was jealous of a policy which was certain to result in such benefits to the country as would prove most damaging to his pet theories. To secure trade advantages in foreign countries by this class of treaties is not by any means a new device. It was embraced in the recommendation of the merchants of London in their petition to parliament in 1820. Failing to secure free trade in France Mr. Cobden himself favored and negotiated a reciprocity treaty with Napoleon III. in 1860.

Mr. Althusen, an eminent and experienced manufacturer, in giving evidence before the Royal Commission on Depression of Trade and Industry in 1886, stated that he had come to the conclusion that England made a mistake in adopting free trade instead of resorting to reciprocity treaties; that by adopting free trade her ports were thrown open to the free admission of the wares of other countries, and she had nothing to offer in return for trade advantages. Her bargaining power had been thrown away. Even as late as 1892 Germany entered into reciprocity treaties with four of the principal nations of Europe. Had the advocates of free trade committed no other act to prove their hostility to the commercial interests of the United States the repeal of this provision of the McKinley bill would be sufficient.

The effects of three portions of the McKinley bill have been given somewhat in detail, namely, the change from duty on sugar to bounties, the imposing of an adequate tariff on tin plate, and reciprocity. These, however, make up only a small portion of the benefits which resulted from the tariff law of 1890. Our progress for the two years following that law was unprecedented. Every feature of the law was fully vindicated and the wisdom of its framers proved beyond question. When the measure was pending Senator Carlisle declared that under it our foreign commerce would decline, and yet our foreign commerce for the year 1891 was larger than it had ever been before, and it was larger still in the year 1892. Our domestic exports for the last named year amounted to \$1,015,732,011, against \$730,282,609 in 1889, and \$278,392,080 in 1889, our last previous free trade year.

The *first object* of the bill was to reduce revenue, but without destroying any protective feature of our tariff system. This was done to the extent of about \$42,000,000, and for the first time in the history of the United States more than half of all our imports in value were admitted free of duty. While the average rate per cent is at best misleading, it may as well be stated in the face of false free trade calculations, that the

*Objects
of the
McKinley
bill—How
far real-
ized.*

average ad valorem rate per cent on all imports for the year 1892 was 21.26—less than during any year since 1861.

The *second object* of the bill was to develop and increase American industries and give employment to a greater number of American laborers. The two years following the enactment of the bill showed results that surprised even its most sanguine friends. New industries were established on every hand; other industries were imported from abroad; thousands of establishments were enlarged, all of which gave employment to an increased number of laborers, and in most instances at higher wages. Millions of dollars worth of goods formerly imported were now made by American workmen. In woollen manufactures, for instance, our consumption increased 17 per cent in three years, while the value of woollen goods imported decreased to the amount of \$21,000,000 during the same period. The consumption of cotton in our mills increased 24 per cent in two years. The production of pig iron in 1891 for the first time surpassed that of Great Britain. In silk manufacture there was an increase of 25 per cent in 1891 over any preceding year. Our various industries will, however, be treated more specifically in the following pages.

It must not be thought that the McKinley bill was framed with a view to benefit our manufacturers and mill hands alone. The agricultural interests and the American farmer received the same attention and reaped the same fruits as did the manufacturer and his employees. American farm products received adequate protection in nearly every instance, with the result that in a single year the value of our imports of farm products was reduced by \$20,000,000, while our agricultural exports increased from \$532,141,490 in 1889 to \$799,328,232 in 1892, a gain of \$267,186,742. These in general were the benefits to American labor. What advantage did the American people as consumers derive? The answer has been given in the following words of President Harrison in his message to Congress, December, 1891: "Rarely, if ever before, in the history of the country has there been a time when the proceeds of one day's labor or the product of one farmed acre would purchase so large amount of those things that enter into the living of the masses of the people." The following corroborative testimony may be given in the words of Edward Atkinson in the Forum of May, 1892:

*Improved
condition
of the
people.*

There never has been a period in the history of this or any other country when the general rate of wages was as high as it is now, or the prices of goods relatively to the wages as low as they are to-day, nor a period when the workman, in the strict sense of the word, has so fully secured to his own use and enjoyment such a steadily and progressively increasing proportion of a constantly increasing product.

And further, the following is taken from the Weekly Review of Trade, published by R. G. Dun & Co.'s Commercial Agency, June 30, 1892: "A fiscal year never matched in the whole history of the country in

volume of industrial production, in magnitude of domestic exchanges, or in foreign exchange, has just closed."

If further testimony be desired it can be found in the following extract from a Senate Committee appointed to investigate the result of the McKinley law on prices and wages. The investigations were conducted by Carroll D. Wright, Commissioner of the Department of Labor, General Francis A. Walker, Professor H. C. Adams, Edward Atkinson, Professor E. J. James and William Grosvenor. Of these the first is, if possible, independent on the tariff question, the next three are pronounced free traders, and the last two are protectionists. The report, which was unanimously accepted by a Senate Committee composed of both Republicans and Democrats, stated that:

"During the twenty-eight months from June 1, 1889, to September 1, 1891 (the act took effect October 6, 1890), average retail prices of 214 articles of common consumption among the people declined .64 per cent; wholesale prices of the same articles declined .33 per cent; prices of agricultural products advanced 18.67 per cent, and wages advanced on the average .75 per cent."

*Effects of
the McKin-
ley act.*

The following brief summary of the McKinley bill and its results is given by Mr. D. G. Harriman, in his "American Tariffs from Plymouth Rock to McKinley," page 73:

Increased duties on about, ...	115 articles.
Reduced duties on about, ...	190 articles.
And left them unchanged on, ...	249 articles.
Increased our foreign commerce in eleven months, ...	\$ 74,768,639
Increased our free imports, ...	112,013,081
Made the percentage of free imports, of all our imports, ...	55.75
Increased free imports over the last tariff, per cent, ...	22.48
Reduced the duties per capita from \$3.80 to \$3.07.	
Reduced the total revenue ("tariff taxes") in twelve months, ...	\$41,396,425

Increased the cost of no necessity of life and reduced the cost of many; stimulated business, and thereby tended to make people busier and earnings surer, if not larger.

Fair Trade (Eng.) in discussing the merits of the McKinley bill gave the following four points in its favor:

The manufacturers of Great Britain don't like the McKinley tariff bill.

The manufacturers of Germany don't like the McKinley tariff bill.

The manufacturers of France don't like the McKinley tariff bill.

The Anglomaniac Free Traders of the United States don't like the McKinley tariff bill.

This furnishes four excellent reasons why the bill should become a law.¹

The growth of other industries and of industrial activity in general after the passage of the McKinley bill will be further pointed out in the

¹ Vol. V., p. 413.

Summary
of tariff
legislation.

treatment of special industries, and the conditions immediately preceding the passage of the Gorman-Wilson bill.

The writer has compiled from the statutes of the United States and other official sources the following brief description of the tariff laws of the United States, from the formation of the government to the present time:

AMERICAN TARIFFS FROM 1789-1894.

Dates of Passage and Operation with Salient Features and Consequences.

- Act of July 4, 1789—Went into effect August 10, 1789. Duties imposed upon 75 articles, 40 specific—35 ad valorem—15 free. Average rate on total imports $7\frac{1}{2}$ per cent.
- August 10, 1790—Went into effect January 1, 1791. Imposed 50 new duties and increased many of previous year. Average rate on total imports 8 per cent.
- March 3, 1791—Slight increase—unimportant—rates increased on spirits. Average rate on total imports 8.43 per cent.
- May 2, 1792—Went into effect July 1, 1792. Over 150 articles were enumerated in this bill. General increase of $2\frac{1}{2}$ per cent. Average rate on total imports 10.93 per cent.
- June 5-7, 1794—Went into effect July 1, 1794. Imposed additional duties and made slight increase in many existing. Increased rates on tobacco, snuff and refined sugar. Average rate on total imports 13.88 per cent.
- January 29, 1795—Rates changed on types, sugar and wines. Many changes, some reductions. Twenty-five articles on free list. Average rate on total imports 8.04 per cent.
- March 3, July 8, 1797—Increased rates on sugar, tea, molasses, velvets, cotton goods, candy. Average rate on total imports 9.25 per cent.
- March 13, 1800—Went into effect July 1, 1800. Increased rates on sugar and wines. Average rate on total imports 13.11 per cent.
- March 26, 1804—Went into effect July 1, 1804. Increased all ad valorem rates $2\frac{1}{2}$ per cent. Increased rates on goods in foreign vessels 10 per cent. Additional rates on many specific articles. Mediterranean Fund. Average rate on total imports 13.06 per cent.
- March 3, 1807; March 4, 1808—Salt and copper, saltpetre and sulphur made free. Increased duties on brass, hats, iron, linen, wines and many other articles. Average rate on total imports 28.71 per cent.
- Embargo Act passed in December, 1807, prohibiting all imports from England and France, repealed May 15, 1809—This was not a tariff measure, but at the same time had the effect of stimulating many industries. The people of the United States were thrown entirely upon their own resources and the result was new industries established, and increased production in existing manufactures.
- Act of July 1, 1812—Went into effect same day. Known as the war tariff. All duties were doubled. Supplementary Acts, February 25, 1813; July 29, 1813; March 3, 1815; February 5, 1816. Great activity in manufacturing due both to high duties and the war. Average rate on all imports 32.73 per cent.
- Act of April 27, 1816—Went into effect July 1, 1811. Known as the Lowndes-Calhoun bill. War rates were considerably reduced. Ad valorem duties ranged from $7\frac{1}{2}$ to 33 per cent. Unenumerated goods paid 15 per cent. Iron and other metals 15 per cent. Woolen goods 25 per cent. Minimum

- principle adopted. Intended as a protective measure but failed because of duties being too low to prevent vast importations from England at less than cost prices. Average rate on all imports 26.52 per cent.
- April 12, 1818—Rates changed on iron and alum.
- March 3, 1819—Rates on certain wines reduced. Average rate on all imports 35.02 per cent.
- Act of May 22, 1824—Went into effect July 1, 1824. Decided increase in duties with most significant and gratifying results. Average rate on all imports 37 per cent.
- Act of May 19, 1828—Went into effect September 2, 1828 and July 1, 1829. Known as the "Tariff of Abominations." Minimum extended. Rates increased. Average rate on all imports 47.80 per cent.
- May 20, 1830—Rates reduced on teas, coffees and cocoa and molasses.
- July 14, 1832—Went into effect March 4, 1833. Known as the "Modifying Tariff." Duties on iron reduced, on woollens increased.
- Act of March 2, 1833—Went into effect January 1, 1834. Known as the "Compromise Tariff." Rates reduced 10 per cent of all duties in excess of 20 per cent, etc., each alternate year till January 1, 1842, one-half the remaining excess of 20 per cent to be taken off on that date and the other half July 1, 1842. Linens, worsted goods, shawls and manufactures of silk made free. Average rate on all imports about 17 per cent.
- July 4, 1836—Rates reduced one-half on wines.
- September 11, 1841—Articles free and those paying less than 20 per cent to pay 20 per cent. Railroad iron reduced to 20 per cent.
- Act of August 30, 1842—Took effect immediately. General revision and increase of rates 50 to 75 per cent. A thoroughly protective measure. The result was a revival of industry and trade, followed by general prosperity.
- Act of July 30, 1846—Went into effect December 1, 1846. Known as the "Walker Tariff." General reduction of duties. Changes from specific to ad valorem rates, duties for revenue only. Effects of this tariff were most disastrous in spite of foreign war, famine and the discovery of gold.
- Act of March 3, 1857—Went into effect July 1, 1857. General revision and further reduction of duties. A culminating free trade act, resulting in panic and commercial ruin. The worst period in the nation's history.
- Act of March 2, 1861—Went into effect April 2, 1861. Intended to raise the necessary revenue for the government expenditures.
- August 5, 1861—First of the war tariffs, large increase in duties.
- December 24, 1861—Duties increased on sugar, tea and coffee.
- July 14, 1862—Went into effect August 2, 1862. Further increase of rates.
- March 3, 1863; April 20, 1864; June 30, 1864; March 5, 1865; March 15, 1866 and July 28, 1866—Bills changing and generally increasing duties.
- Act of March 2, 1867—Took effect immediately. Rates increased on wool and woollens giving great benefit to those industries.
- February 24, 1869—Rates increased on copper.
- July 14, December 20, 1870.—General changes. Free list largely reduced. Duty of \$28 per ton on steel rails.
- May 1, 1872—Tea and coffee made free.
- June 6, 1872—Went into effect August 1, 1872. Reduction of 10 per cent. Increased free list.
- June 22, 1874—Revised statute, with slight and unimportant changes.
- February 8, 1875—Known as the "Little Tariff Bill." General changes.
- March 3, 1875—Took effect immediately. Rates increased on sugar. Repeal of 10 per cent reduction of act of June 6, 1872.

*Tariff
legislation.*

July 1, 1879—Quinine made free.

July 14, 1880—A few unimportant changes.

May 6, and December 3, 1882—Repeals discriminating duty.

Act of March 3, 1883—Went into effect July 1, 1883. Known as the Tariff Commission Bill. General revision, reductions and increased free list. Severe blow to wool industry.

Act of October 1, 1890—Went into effect October 6, 1890. Known as the McKinley Bill, the most perfect tariff measure ever framed. Changes from ad valorem to specific rates. Enlarged free list. Sugar made free, a bounty being substituted. Reciprocity law. Unusual prosperity in all lines of industry. More men employed and at higher wages than ever before in the history of the nation.

Act of 1894—Went into effect August 27, 1894. Known as the Gorman-Wilson Bill. Became a law without the President's signature. General reduction of duties. Wool put on free list. Great falling off in number of sheep. Increased importations of competing commodities to the detriment of American manufacturers. Great increase in national debt. Deficiency of revenue. Impairment of gold reserve, necessitating repeated bond issues. Decline in foreign trade. General depression in business throughout the entire country.

A most important act of tariff legislation was the so-called Administrative Customs Law of 1890, which went into effect August 1 of that year. It was an act to simplify the laws in relation to the collection of the revenues, and to do away with fraud and many underhanded methods then resorted to by importers.

The act proposed the appointment of nine general appraisers by the President. They were to receive a salary of \$7000 yearly, to be under the general direction of the Secretary of the Treasury, not more than five were to be appointed from the same political party, and penalties were imposed for bribery in any form both for giver and receiver.

Thus have been described the various tariffs of the United States. Those which gave protection gave also prosperity. Those which failed to give protection brought disaster. In those tariffs which were protective the rates were different, but the results were the same. They were each adapted to cause protection in a greater or less degree at the time they were enacted. At another time each one of them might not be successful, for changed conditions require different rates, and it is the task of practical business men at any time to so adjust rates that they may operate to make secure the American markets for the American people.

CHAPTER IV.

GROWTH OF AGRICULTURE, 1850 TO 1890.

The tariff history of the United States, with a general *résumé* of the effect of fiscal legislation, has been given up to 1893, when our country and its industries reached the highest pinnacle of advancement and prosperity.

Our principal industries will now be taken up somewhat more in detail, although only the most essential features can be touched upon.

The following statement from the census of 1890 shows the distribution of the whole number of males and females engaged in gainful occupations according to the number and percentage in each class :

Distribution of population according to occupations—Agriculture.

CLASSES OF OCCUPATION.	Males.		Females.		Total.	
	Number.	Per cent.	Number.	Per cent.	Number.	Per c. nt.
All occupations, ...	18,820,950	100.00	3,914,711	100.00	22,735,661	100.00
Agriculture, fisheries and mining, ...	8,333,692	44.28	679,509	17.36	9,013,201	39.64
Professional service, ...	632,641	3.36	311,682	7.96	944,323	4.15
Domestic and personal service, ...	2,692,820	14.31	1,667,686	42.60	4,360,506	19.18
Trade and transportation, ...	3,097,653	16.46	228,309	5.83	3,325,962	14.63
Manufacturing and mechanical industries, . .	4,064,144	21.59	1,027,525	26.25	5,091,669	22.40

Agriculture is the largest and most important industry of this country, and in it are engaged more people than in any other one occupation. The farmer feeds not only himself but all the rest of the inhabitants. Great, then, is his responsibility when he provides for a people that consumes more than any other people in the world.

There are certain essential requisites indispensable to the farmer's prosperity. First, good crops; second, a good market; third, reasonable prices for what he has to sell and buy. The American farmer is blessed as is no other tiller of the soil on earth, when all is considered. Our soil and climate give him good crops in nearly all food products consumed by man. Our protective tariff gives him a substantial home market and profitable prices for his products. It is impossible to consider the agricultural progress of this country without at the same time bearing in mind our growth in manufactures. Prosperity in the latter is indispensable to

the healthy growth of the former. It was with this thought uppermost that the founders of the Republic avowed and adopted protection. Washington, Hamilton, Jefferson, Madison, Monroe and Adams all recognized the importance of a protective tariff to the farmer, and Andrew Jackson, in a letter to Dr. Coleman, of North Carolina, dated April 26, 1824, said:

I will ask what is the real situation of the agriculturist? Where has the American farmer a market for his surplus produce? Except for cotton he has neither a foreign nor a home market. Does not this clearly prove, when there is no market at home or abroad, that there is too much labor employed in agriculture? Common sense at once points out the remedy. Take from agriculture in the United States six hundred thousand men, women and children, and you will at once give a market for more breadstuffs than all Europe now furnishes us. In short, sir, we have been too long subject to the policy of British merchants, it is time we should become a little more Americanized, and, instead of feeding the paupers and laborers of England, feed our own; or else, in a short time, by continuing our present policy, we shall all be rendered paupers ourselves.

*Home
market
for farm
products.*

This policy of Jackson's was pursued and has been continued ever since, with the exception of the two free trade periods from 1833 to 1842, and from 1846 to 1860. A home market of almost incalculable magnitude has been built up and maintained—a market greater by far than all the markets of the world combined, and in this market the American farmer has for a generation and more sold over nine-tenths of his productions. Prosperous though he has been in the enjoyment of this vast market, he has suffered cruelly from inadequate tariffs, and has been the special object of attack by Great Britain and her American allies. Not only has the farmer suffered from this cause, but he has shared any misfortune to manufacturing interests as well. President Jackson, in his inaugural address, March 4, 1829, said: "With regard to a proper selection of the subjects of impost, with a view to revenue, it would seem to me that the spirit of equity, caution and compromise, in which the Constitution was formed, requires that the great interests of agriculture, commerce and manufactures should be equally favored."

This idea should ever be borne in mind that agriculture and manufacturing interests are inseparably united, and that the farmer needs protection, not only for himself, but for his customers as well. If any exception can be made to this principle it is only during a period of war at home or abroad—failure of crops or foreign famine. From such causes our farmers have benefited more or less. On the other hand, they suffered much from the ruinous effects of free trade periods preceding 1824 and from 1833 to 1842. Of the former period Henry Clay said: "If I were to select any term of seven years since the adoption of the present Constitution which exhibited a scene of the most widespread dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824."

Of the next free trade period Colton writes in his life of Henry Clay, Vol. I:

In Ohio, with all her abundance, it was hard to get money to pay taxes. The sheriff of Muskingum County, as stated by the *Guernsey Times* in the summer of 1842, sold at auction one four-horse wagon at \$5.50; ten hogs at 6¼ each; two horses (said to be worth \$50 to \$75 each) at \$2 each; two cows at \$1 each; a barrel of sugar at \$1.50, and a store of goods at that rate. In Pike County, Missouri, as stated by the *Hannibal Journal*, the sheriff sold three horses at \$1.50 each; one large ox at 12½ cents; five cows, two steers and one calf, the lot at \$3.25; twenty sheep at 13½ cents each; twenty-four hogs, the lot at 25 cents; one eight-day clock at \$2.50; lot of tobacco, seven or eight hog-heads, at \$5; three stacks of hay, each at 25 cents, and one stack of fodder at 25 cents.

The tariff of 1842 came to the rescue, and the farmer shared in the prosperity of the whole country.

The decline of the English agriculturist during fifty years of free trade has been fully stated in previous pages. It now remains to give a concise exposition of the progress of the American farmer in the same period, during thirty-three years of which he has enjoyed the benefits of a protective tariff. Several causes conspired to give more or less prosperity to our agricultural interests during the years immediately following the tariff of 1846. Among them may be mentioned short crops abroad, foreign wars and famine, together with the fact that from 1847 to 1857 we built 20,000 miles of railroads, bringing agricultural and manufacturing sections together, thus giving the farmer constantly increasing markets and lessening the expense of reaching them. Another cause of rapid progress, especially in the grain trade, was the increase in lake commerce. In the year 1845 the tonnage of the lakes consisted of only 380 vessels of all kinds, with an aggregate tonnage of 76,000 tons, while in 1863 it had increased to 1870 vessels and a tonnage of 470,034 tons. The gold discovery of 1849 was another most potent element acting to the farmer's advantage. The greatest factor, however, was the increase in farm implements and labor-saving machinery during the decade from 1850 to 1860. The value of labor-saving implements in 1850 was \$6,842,611, while in 1860 it was \$17,590,960, an increase of 156 per cent. This was exclusive of all articles made on the farm, and also excludes cotton gins, scythes, hoes, shovels, spades, forks, and some other articles to the value of \$11,796,941, which might appropriately be added to the above, making a total of over \$29,000,000 in 1860. It will be interesting to note where this great increase occurred which will be seen in the following table, showing per cent of increase in the manufacture of farm labor-saving implements and machinery from 1850 to 1860:

*Condition
of agri-
culture
after 1842.*

	Per cent increase.
Middle States, ...	134.2
Western States, ...	352.5
Ohio, ...	405.5
Illinois, ...	212.2
Iowa, ...	1208.6
Kentucky, ...	755.4
Southern States, ...	30.

While the increase in Ohio, as seen above, was over 400 per cent, the increase in population was only 18.14 per cent. In short, both foreign and domestic causes of exceptional character operated to favor the American agriculturist during the decade from 1850 to 1860. In fact, the whole period from 1842 to 1860 showed a general increase in farm values and more or less prosperity for the farmer. And yet after all there were no elements so potent as the indomitable will, the unceasing perseverance, the strict economy and frugality, and the untiring labor of the agriculturist himself. He had to contend against much; he accomplished much in spite of adverse legislation. From Canada and Europe came millions of dollars worth of products which the farmers of the United States should have had the privilege of raising. To get a general idea of our agricultural progress since 1850, when the first complete agricultural returns were enumerated, Table No. 25 has been prepared:

TABLE No. 25.

Table Showing Progress of Agriculture in United States, from 1850 to 1890. Compiled from United States Census.

*Progress
of agricul-
ture from
1850 to 1890.*

	1850.	1860.	1870. ¹	1880.	1890.	
1 Land in farms improved, acres, ...	113,032,614	163,110,720	188,921,099	284,771,042	357,616,755	1
2 Number of farms, ...	1,449,073	2,044,077	2,659,985	4,008,907	4,564,641	2
3 Farm values, ...	\$3,271,575,426	\$6,645,045,007	\$9,262,803,861	\$10,197,096,776	\$13,279,252,649	3
4 Total agricultural product, ...	\$1,326,691,326	\$1,600,000,000	\$2,477,538,658	\$2,212,540,927	\$2,460,107,454	4
5 Value of farming imple- ments and machinery, ...	\$151,587,638	\$246,118,141	\$336,878,429	\$406,520,055	\$494,247,467	5
6 All live stock values, ...	\$544,180,516	\$1,089,329,915	\$1,525,276,457	\$1,500,384,707	\$2,208,767,573	6
7 Animals slaughtered, value, ...	\$111,703,142	\$213,618,692	\$398,956,376	\$393,562,413	\$504,667,035	7
8 Number of sheep, ...	21,723,000	22,471,275	28,477,951	40,705,900	44,336,072	8
9 Wool, lbs., ...	52,516,969	60,264,913	100,102,387	232,500,000	276,000,000	9
10 Cotton, bales, ...	2,469,093	5,387,052	3,011,996	5,755,359	7,472,511	10
11 Flax, seed, bushels, ...	562,312	566,867	1,730,444	7,170,951	10,250,410	11
12 " fibre, lbs., ...	7,709,676	4,720,145	27,133,034	1,565,546	241,389	12
13 Wheat, bushels, ...	100,485,944	173,104,924	287,745,626	459,483,137	468,373,968	13
14 Rye, "	14,188,813	21,101,380	16,918,795	19,831,595	28,421,398	14
15 Corn, "	592,071,104	838,792,742	760,944,549	1,754,591,676	2,122,327,547	15
16 Oats, "	146,584,179	172,643,185	282,107,157	407,858,999	809,250,666	16
17 Barley, "	5,767,015	15,825,898	29,761,305	43,997,495	78,332,976	17
18 Buckwheat, bushels, ...	8,956,912	17,571,818	9,821,721	11,817,327	12,110,349	18
19 Butter and cheese, lbs., ...	418,881,199	563,345,299	567,584,836	804,522,776	1,042,950,286	19
20 Hay, tons, ...	13,838,642	19,083,896	27,316,048	35,150,711	66,831,480	20
21 Potatoes, Irish, bushels, ...	765,939	1,264,429	1,632,205	1,497,017	1,749,656	21
22 " sweet, ...	208,993	236,740	218,700	329,590	408,549	22
23 Sugar, lbs., ...	331,345,836	317,298,605	132,895,245	251,222,461	334,237,322	23
24 Molasses, gallons, ...	12,700,896	23,310,708	23,564,469	46,813,523	51,902,823	24
25 Tobacco, lbs., ...	199,752,655	434,209,491	262,735,341	472,661,157	488,256,046	25
26 Number of swine, ...	30,354,213	33,512,897	25,134,569	47,681,700	57,469,583	26
27 Rice, lbs., ...	215,313,497	187,167,032	73,635,021	110,131,373	128,590,934	27

It will be seen that there has been a steady growth and that in the last forty-five years our agriculture has made most wonderful strides.

In studying the table it must be remembered that all values in 1870 were on a paper money basis and the amounts should be decreased by about one-fifth. This alone will account for an apparent discrepancy in

¹ About one-fifth should be deducted from all values of 1870 to allow for a paper money basis.

² Estimated.

the item of "value of products," the aggregate for 1870 appearing larger than 1880. The census of 1870 also included "betterments and addition to stock," while the returns for 1880 did not include these items. Again it must be borne in mind that there was a decline in prices from 1870 to 1880 ranging from 10 to 50 per cent, which will also account for the apparent decrease in the total value of agricultural products during this decade. There was, however, a large increase in quantities, as can be seen from the following table. There are no official figures for the total value of agricultural products for 1860, and estimates vary from \$1,400,000,000 to \$1,600,000,000, the latter probably being more nearly correct.

CROPS.	1870.	1880.	Per cent.
Wheat, bushels, ...	287,745,626	459,483,137	59.7
Oats, bushels, ...	282,107,157	407,858,999	44.6
Indian corn, bushels, ...	760,944,549	1,754,591,676	130.6
Cotton, bales, ...	3,011,996	5,755,359	91.1
Hay, tons, ...	27,316,048	35,150,711	28.7
Rice, pounds, ...	73,635,021	110,131,373	49.6
Tobacco, pounds, ...	262,735,341	472,661,157	79.9
Irish potatoes, bushels, ...	143,337,473	169,458,539	18.2

*Progress
of agricul-
ture.*

The superintendent of the census, General Francis A. Walker, says:

The value of the farms of the United States as returned in 1870, was \$9,262, - 803,861. Were this to be discounted at the rate of the then existing premium on gold, it would yield about \$7,500,000,000 as the gold value of the farms of the United States at that date. But it is a familiar feature of paper money inflations that the value of real estate, especially rural real estate, seldom begins to rise so early or continues to rise so long as the prices of commodities. Were we to assume the average enhancement of the value of all the farms of the country, east and west, north and south, in 1870, by reason of the depreciation of the currency, to have been 12½ per cent, being one-half the premium on gold, we should have as their true gold value about \$8,250,000,000. This would give as the increase in the gold values of 1870 over those of 1860 (viz, \$6,645,045,007), about 24 per cent, and in those of 1880 over 1870 about 24 per cent.

The foregoing tables, with the accompanying explanations of General Walker, give a comprehensive view of the American agriculturist's progress during the past fifty years, while during the same period the English agriculturist, under free trade, has been going steadily from bad to worse, till he is hardly a factor in the industrial life of Great Britain. The table shows most decided gains in every feature of farm life. While the total *value* of products shows an increase from 1850 to 1890 of less than 100 per cent, it must be remembered that there has been a great change in prices of all commodities both agricultural and manufactured. The table shows clearly, however, the increase in *quantities* of the various

*Home consumption
of farm
products.*

products of the farm, and, although prices have fallen in agricultural products, or what the farmer sells, they have fallen by a far greater margin in manufactures, or what the farmer buys, making his net gain a most substantial one.

The census returns of agricultural products, however, are by no means complete. In the first place returns from no farm of less than three acres were given unless the product exceeded \$500. The census gives only "principal vegetable productions" and "livestock on hand." Under the head of "manufactures" we find values of meats produced in the packing-houses, but of all the livestock killed by over 75,000 butchers by whom the people are supplied with the best of their meat, the census gives no return whatever. It gives the number of livestock kept but not the number killed for food. The amount killed by the butchers is ten times that which goes through the packing-houses. It has been estimated that the per capita consumption of meat in the United States is from fifty to seventy-five dollars per year. Taking the lowest of these estimates our annual consumption of meat would now reach the enormous value of \$3,700,000,000 including that enumerated in the census. The census also omits "garden truck," so-called, except potatoes. Nothing is said of turnips, beets, celery, cresses, asparagus, pumpkins, squash, melons, citron, cauliflower, lettuce, onions, cabbage, parsnips, carrots, berries of any kind, beans, peas, peanuts, nuts of any kind, quinces, grapes, currants, cider, cider brandy, applejack, oysters, clams or other water products, cordwood, building materials, quarries, game, or many other products of countless farms. Certainly \$2,000,000,000 is a fair estimate for all these. Our total farm products, then, on a most conservative estimate, reach a grand total in excess of \$7,500,000,000, of which we sent abroad in 1894 \$628,000,000 worth, or about 8 per cent, and if we exclude cotton and tobacco it will only be about 4 per cent. But we imported \$270,000,000 of farm products in the same year so that our actual consumption is from 96 to 98 per cent of our production.

*Need of
protection
for agri-
cultural
products.*

In a word then the American farmer during the past half century, and especially during the past quarter century, has enjoyed amazing prosperity, and American agriculture has shown a wonderful growth. And yet we hear the constant refrain from free traders in Congress and on the platform, in pamphlet and paper, "Why is not the farmer prosperous?" the answer being, of course, protection. It has been shown that the farmer has been prosperous, and it can be shown with equal facility and clearness how he can be more prosperous. In the first place, he has never had sufficient protection. Had it not been for the causes enumerated from 1846 to 1860, our agricultural industry would have suffered as it did in 1820 and 1840, and as it has whenever the manufacturing interests were depressed by low tariffs. For the last thirty years whenever the farmer has had a market without foreign competition, he has

prospered ; wherever he has lacked a market or had foreign competition, he has only held his own or lost ground. First to consider foreign competition. It does not need a volume to prove that the American farmer cannot pay his laborer a dollar a day and compete with the farmer of India who pays six or ten cents a day. The wool grower of Ohio, Montana or Texas cannot compete even in the home market with the herdsman of Australia and Argentine, who enjoys the advantages of immense flocks, government lands and cheap pasturage. The cotton grower of the South is even threatened with an invasion of his staple product. The sugar grower of Louisiana and the beet raiser of Kansas must have aid of some kind to enable them to compete with the Cuban.

The increase in transportation facilities the world over, the cheapness of lands and labor in foreign countries, and the eagerness to compete not only in neutral markets, but to gain a foothold in our own, make it absolutely indispensable that the American farmer should have ample protection for each and every one of his productions. There are to-day 10,000,000 agricultural laborers in the United States, upon each of whom two other persons depend for support, and with a protective tariff sufficient to maintain our manufactures, thereby creating and preserving a home market, and sufficient to keep out all staple agricultural products, the American farmer can and will in a short time raise wool enough, produce sugar enough, harvest grain enough, and furnish enough of every product to supply a market almost at his own door, that in turn will be amply sufficient to give him profitable returns for his labor. Having ample protection then for himself and his customers, what next must the farmer do to continue prosperous? If the 10,000,000 all grow wheat no one will prosper. If proper proportions grow wheat, corn, cotton, rye, oats, hay, sugar, flax, wool, meat, fruit and vegetables, all will prosper. Manufacturers adapt themselves to demand, farmers must do the same. There is no need of going to Cuba for sugar, nor to Australia for wool, nor to India for cotton, wheat or jute. Our farmers must study markets, must consider their own resources, must adapt themselves to conditions and vote to sustain protection to home industries. It has already been shown on another page, how 100,000,000 sheep would consume all our surplus hay, corn and oats. Our beet raising resources are unequaled, and if taken advantage of would not only result in supplying enough sugar for our needs, but withdraw labor and capital from unprofitable forms of production. We can and do grow the best flax in the world, and yet it is almost exclusively used for seed. The rich soil of certain of our States is as well adapted to the cultivation of flax as that of any other part of the world, and our linen factories should be entirely supplied with the American product, which can be done and to the advantage of the growers of all other products. No better exposition of

*Need of
diversifica-
tion of
industry.*

this idea could be given than the following by J. R. Dodge, former statistician of the Department of Agriculture:

In a primitive country the first business of farmers is to produce food to cater to the wants of the stomach; if they go no farther, as population advances and its wants increase with the progress of culture and civilization, and so neglect to supply the "raw materials" for the uses of the industrial arts, their country will forever remain primitive and poor. This country can not claim exemption from the inexorable rule. Nine-tenths (at least) of all the raw materials required for textile, metallic, mechanical, chemical, oleaginous or other manufacture can be produced, primarily by our farmers, diverting their labor to profitable channels, and swelling the value of their products, steadying the prices of the food staples, and insuring prosperity and comfort to all. No other panacea will cure hard times; a profitable outlet, by diversification and extension, for constantly augmenting rural labor, can alone make rural industry profitable. If the policy of going abroad for all fibres except cotton shall be put into permanent practice, and for all sugar and fruits, barley and oil seeds, to be paid for in corn and wheat and cotton, which are already crowded into foreign markets to the last pound and bushel, there will be no necessity for a "single tax" to make the farmer's land valueless, and no need of account-books, or pocket-books, and little demand for books of any kind.

And yet there is gross ignorance abroad of the extent of these limitations of our agriculture, and of the means of recuperation. Many of our farmers are delaying the emancipation of rural industry and seeking to import cordage to bind upon their backs still closer their present burdens. Instead of enlarging the range of profitable production, they are seeking to restrict it. The wheat growers insist upon going to the antipodes for binder twine, while a million acres of flax are wasted in adjoining fields, and when they could produce hemp enough within six months to bind the wheat of the world. The cotton-growers want to go to India for jute, which will grow in their cotton-fields as readily as weeds. If we will not produce the twine to bind our sheaves, or the jute or hemp or flax to cover our bales, we shall have no right to complain of 50 cents per bushel for the one or 5 cents per pound for the other.

*Nearness
of market.*

With ample protection, and diversified occupations, the remaining factor of the farmer's prosperity lies in the nearness of the factory. This is no theory. It is a condition based on experience and capable of the clearest proof. The farmer who in his own wagon carries his grain and vegetables to the neighboring town where dwells the well-paid mill hand, enjoys a far greater return for his labor than the farmer who sends his produce to a foreign or far-away domestic market, with freights and the profits of middlemen to be deducted from his selling price, even if the selling price to the consumer were the same in both instances. The farmer who sells at home not only makes a quick sale with no loss from decay, waste, expenses of carriage, or other profits, but the farmer of the United States has a customer with a purchasing power far in excess of any other customer or consumer of food on earth, who is not only able and willing to pay better prices for his food, but who purchases twice the quantity or more. This fact has been clearly established in tables compiled by the Agricultural Department showing that farm values and production as well as prices are greater in the manufacturing countries and States.

This is seen clearly by taking two representative States and showing the cash value of farm products per acre in 1887, as per report of the Department of Agriculture for that year:

Higher price of agricultural products and labor in manufacturing States.

CASH VALUE OF PRODUCTS PER ACRE.

	Indiana.	Massachusetts.
Corn, ...	\$9.00	\$24.78
Wheat, ...	9.72	14.81
Rye, ...	6.38	7.70
Oats, ...	7.83	12.21
Barley, ...	11.71	16.53
Buckwheat, ...	5.48	9.72
Potatoes, ...	31.35	60.72
Hay, ...	11.52	18.96
Tobacco, ...	22.00	242.25

Quoting further from the same authority, the yield per acre is seen:

Indiana, ...	bushels of corn per acre,	20
Massachusetts, ...	" " "	35.4
Indiana, ...	price per bushel,	45 cents.
Massachusetts, ...	" " "	70

Further still, the wages of agricultural laborers for the same States, taken from the Commissioner of Agriculture's report for 1885, were as follows:

Indiana, ...	per month per year,	\$22.20
Massachusetts, ...	" " "	28.75
Indiana, ...	day transient,	1.08
Massachusetts, ...	" " "	1.50

Nor is this all. One of the Eastern investment companies, whose sole business is to effect loans on Western farms, reports among the buyers of farm mortgages, ten savings banks in Vermont and thirty-three savings banks in New Hampshire. As the two States named are principally agricultural, it is fair to presume that the loans are mainly from Eastern to Western farmers. These figures, let it be clearly understood, are given for the one purpose of showing the advantage of proximity of farm and factory; and since the date of compilation Indiana and all her sister States have yearly reaped more and more the benefits of this very condition, and will continue to do so as new industries, fostered and protected by an adequate tariff, are planted and operated near the great farms of the West.

The loans made by Eastern to Western farmers bring us to the subject of Western farm mortgages. Perhaps no feature of our industrial economics has given the free trader so much apparent concern as this matter of Western farm mortgages. Certainly no subject has furnished the ground for so much deceit and fraudulent presentation of figures, inaccurate premises and false conclusions. A vast number of farmers owe their present prosperous condition to the fact that they have gone West, bought farms, and been able to borrow the money to improve and develop them.

Western farm mortgages.

In ninety-nine cases out of a hundred a farm mortgage is an evidence of thrift and progress, and not of embarrassment or shiftlessness. Farm mortgages for the most part represent cultivated and productive farms and comfortable homes, where otherwise there would have been waste lands. Farm mortgages have enabled the day laborers to become prosperous farmers on their own account. They have enabled a farmer to increase his acres two, four, ten, and even fifty times with production of like ratio. It is true that some mortgages are foreclosed and some farmers fail to make their payments, but so do some manufacturers and merchants. Pages might be filled with illustrations of misleading statistics which have been circulated by the agents of the Cobden Club, regarding these farm mortgages, but one or two will suffice.

During the campaign of 1888 a table was compiled and went the rounds of the free trade press purporting to show the farm mortgages of six States as follows:

WESTERN FARM MORTGAGES.

Kansas, ...	\$235,000,000
Indiana, ...	635,000,000
Iowa, ...	567,000,000
Michigan, ...	500,000,000
Wisconsin, ...	357,000,000
Ohio, ...	1,127,000,000

Now by turning to the compendium of the tenth census the reader will find:

VALUE OF FARMS.

Kansas, ...	\$235,000,000
Indiana, ...	635,000,000
Iowa, ...	567,000,000
Michigan, ...	500,000,000
Wisconsin, ...	357,000,000
Ohio, ...	1,127,000,000

It will be seen that the census figures of farm values is published as farm mortgages. It seems that such a gross error as this could only have been committed with a deliberate intent to deceive.

Comment on such reprehensible methods of free traders in arousing concern for the farmer is hardly necessary. Another instance of free trade fabrication pure and simple was a statement made by the New York Times that the farm mortgages of Illinois amounted to \$620,000,000. As this item went the rounds it grew larger and larger till the St. Louis Republic made it \$3,000,000,000. At the time this item was tossed around it was impossible to give any authoritative figures of any kind. Subsequently, however, in 1889 the Illinois bureau of labor completed inquiries and compiled the statistics. The facts were these: The total mortgage indebtedness on farms was \$123,733,098 of which \$20,633,072 were for deferred payment on the purchase money. According to the census of 1880 there

*Instances
of misrep-
resentation
with re-
gard to
Western
mortgages.*

were in the State of Illinois 34,694,172 acres outside of Cook County (Chicago) valued at \$979,703,337, showing that the mortgage indebtedness for loans was only 10.52 per cent of the census valuation. The average life of a mortgage was found to be three years, and the average rate of interest not 20, 15 or even 10 per cent, but 6.9 per cent. So, too, with Nebraska and Kansas and Iowa and other Western States. When the free traders' claims are analyzed and reduced to truth, little remains but a small per cent of debt which is being rapidly liquidated. So much was said and written on this subject in 1888 and 1889 that the superintendent of the census made a thorough investigation in 1890 and since his reports have been published free trade papers and orators have left the subject severely alone. Besides the general statistics gathered, a thorough canvass was made by trained statisticians in counties in Illinois, Iowa, Massachusetts and New York. Superintendent Porter summarizes the results of the canvass as follows:

*The extent
of the
so-called
"mort-
gage evil."*

First it was shown (by the Cattaraugus County, N. Y., investigation), with a fair degree of accuracy, that only eight-tenths of 1 per cent of the total debt represented by mortgages recorded prior to 1869 remained unpaid. Less than 8 per cent of the mortgage debt in force is represented by mortgages recorded prior to 1879. The other experimental inquiries made by the census office fully corroborate the fact brought out in Cattaraugus County. It was ascertained, for example, that only 3 per cent of the mortgage debt of the people of Hampden County, Massachusetts, was created prior to 1880, and that only 5 per cent of the debt in Scott County, Iowa, was created before 1880. These three conclusions, all pointing in the same direction, would indicate in the Western States certainly, and to a considerable extent in the Eastern States, that a comparatively small percentage of the existing recorded indebtedness of the present time was created previous to 1880.

THE MOTIVE FOR MORTGAGING PROPERTY IN NINE TOWNS OF CATTARAUGUS COUNTY.

	Percentage.
For purchase money, ...	54.55
For improvements, ...	17.30
To pay previous mortgage, ...	1.81
To pay debts, ...	1.38
To use in business, ...	1.68
To secure indorsements, ...	1.40
To raise money for investment, ...	.60
To sink oil wells, ...	.29
To secure annuities, ...	.25
To pay off heirs, ...	.16
For support and family expenses, ...	.14
Sickness, ...	.16
Extravagance, ...	.14
Speculation, ...	.08
Miscellaneous, ...	.30
Total, ...	80.24
No motive ascertained, ...	19.76
Total, ...	100.00

Mr. Edward Atkinson (free trader) took occasion to investigate the matter from the standpoint of the Mortgage Loan Companies, and his conclusions were published in *Bradstreet's*, November 12, 1887. We quote the following:

The reduction in the rate of interest has been from 10 per cent annual interest and 10 per cent commission on a five years' mortgage to an average of $6\frac{1}{2}$ to $7\frac{1}{2}$ per cent at the present time, without commission.

Many of those to whom loans were first made are now lenders through the same corporations.

The present conditions indicate widespread and almost universal prosperity.

Mr. Atkinson says further on this subject in the *Forum* of May, 1894:

There are within the United States 4,564,641 separate farms, averaging about 137 acres each, of which, in the Eastern, Middle, Western and Pacific States, 80 per cent are occupied and managed by their owners. Far more than one-half these farms are free of any mortgage whatever; the rest are mortgaged for far less than half their value.

The result of that investigation has sustained the conclusions which I had reached by a very partial investigation of the same subject in the preceding five years, namely:

1. That the larger part of the Western farms cultivated by owners were free of any mortgage whatever.
2. That the Western farmers were creditors rather than debtors.
3. That the burden of farm mortgages is a very light one.

In fact, the statistics of this partial investigation, which was necessarily very limited, had led me to the conclusion that there existed no great body of the people of any class in this country, who were, as a whole, so free from debt and so absolutely independent as the Western farmers of the grain-growing States.

In making provision for the census of 1890, a special appropriation of \$1,000,000 was set apart to be expended in ascertaining the exact condition of farms and homes with respect to mortgages. A more useful appropriation could not have been made for any statistical purpose. Mr. George K. Holmes and Mr. John S. Lord were deputed by the superintendent of the census to do this work, and there could have been no more judicious selection. On the nineteenth of December an extra census bulletin was issued, giving the statistics of the decade from 1880 to 1889, inclusive, in thirty-three States and territories. The total mortgage indebtedness of the whole country has been ascertained, and it is stated that this detailed report of thirty-three States covers seven-ninths of the mortgages made in the United States during the decade, and that the outstanding mortgage debt on the first of January, 1890, given in this report, covers substantially five-sixths of the entire mortgage debt on acres and lots in the whole country.

The first startling fact developed by the mortgage statistics is that in these specific thirty-three States and territories nearly 7,000,000 mortgages have been recorded in ten years for a total sum of nearly \$9,500,000,000. The final statement, covering the whole country, which has not yet been published, discloses the fact that 9,517,747 mortgages were executed in the decade 1880-89, to the amount of \$12,094,877,793.

On the first of January, 1890, the amount of these mortgages remaining unpaid in thirty-three States was \$4,935,455,896; in the whole United States, \$6,019,679,985. It, therefore, appears that during the decade one-half the mortgages incurred had already been paid.

*Atkinson
on the
mortgage
question.*

These original mortgages executed prior to 1880 must have been wholly liquidated, mostly by payment. Evidence obtained from solvent farm mortgage companies proves that, as fast as they matured, they were either finally paid, or else in some instances new mortgages were executed at much lower rates of interest than were customary in the era of paper money in the previous decade. On this basis the summary would be:

Mortgages in force January 1, 1880, estimated, ...	\$ 1,500,000,000
Executed since, ...	12,000,000,000
Total, ...	\$13,500,000,000
In force January 1, 1890, ...	6,000,000,000
Paid, ...	\$ 7,500,000,000

The payments, therefore, amounted to 55 per cent.

We find that the average life of a farm mortgage is a little less than five years—rather longer in the East than in the West, but practically five years in the grain-growing States.

In order to bring out the evidence of prosperity rather than adversity developed in these conditions, one must ask, What does a man, in fact, borrow, when he executes a mortgage upon land? He does not borrow money in a true sense. In a vast number of cases only a title to money passes in the form of a check, a draft or a bill of exchange. What he in fact borrows is the land itself, or such part of it as the encumbrance represents. If we regard foreclosure as a sign of lack of benefit to the borrower, the figures show that in all but an insignificant proportion of these negotiations it has been as much or more to the advantage of the borrower to borrow the farm or home as it has been to the benefit of the lender in securing interest on the loan. The advantage is mutual, but distinctly greater on the part of the borrower, who has been enabled to become the owner of a homestead and the improvements thereon at lessening rates of interest throughout this period.

The first effective analysis of farm mortgages which has ever come under my notice was made by Mr. A. H. Heath, the Commissioner of Labor Statistics of Michigan for the year 1888. He obtained the data for 58 per cent of all the farms of Michigan, numbering 90,803, assessed for \$194,854,633.

An analysis of the statistics of farm mortgages.

Out of 90,803 farmers 43,079 stated that their farms were mortgaged. A few refused to reply. The greater part of the remainder stated that their farms were not mortgaged. The true value of the farms which were mortgaged, estimated to be about one-half the total number, was \$100,000,000; the mortgage debt \$37,500,000. Of the farms investigated, 31,570 were owned or occupied by men of foreign birth, the rest by Americans. In answer to the question put to the foreign element, "Had they any money when they arrived in the State?" 8067 answered, "Yes," giving the sum of money in their possession at \$4,633,188 in all; 23,503 answered, "No." From these data we reach the following conclusion:

Foreigners brought money into the State to the amount of, ...	\$ 4,633,188
The mortgage debt on these specific farms was, ...	11,191,714
Making a total of, ...	\$ 15,824,902
The assessed value of these specific farms was, ...	52,537,871
The true value, ...	65,672,333

It follows that these 31,570 foreigners who came from Germany, Canada, England, Ireland, Holland, Scotland and nearly every other country in Europe, from the East Indies, Australia, Hayti, Mexico and South America, had been

enabled, by borrowing money on mortgage to become possessed of real estate worth \$50,000,000 more than the encumbrance and the cash brought in by themselves; and this estimate does not include the farm animals, tools and furniture used upon the farm.

The principal Western indebtedness on mortgage is in and around Chicago, but there is one startling fact to which my attention has been called by Mr. Holmes. In the great urban region in and around New York City, in Kings, Queens, New York, Richmond and Westchester Counties, in the State of New York; and in the counties of Bergen, Essex, Hudson, Monmouth, Passaic and Union, in the State of New Jersey, the real estate mortgage debt is \$1,279,343,703. This amount is 21.25 per cent of the whole real estate mortgage debt of the United States. It is 51.04 per cent of the real estate mortgage debt of what is commonly known as the West, extending from Ohio westward to Kansas and northward to the Dakotas, with its populous cities of Chicago, Cincinnati, Cleveland, Detroit, Minneapolis, Kansas City, Milwaukee, Omaha, St. Louis and St. Paul. It is doubtless true that the value of the real estate in and about New York is far more than sufficient to sustain this indebtedness, yet it is an important fact to know where the indebtedness lies, and what is the relative burden contrasting the East with the West.

It will be remarked that the amount of the encumbrance in the eleven counties in and around the City of New York exceeds the amount of mortgages on all the farms of the United States.

Speaking further of the Census Inquiry, Mr. Atkinson says:

Thus far the mortgages upon acres have been dealt with as if they were the same as mortgages on farms. As yet no complete separation has been made, but I am permitted to make the following statement on the authority of the census officials.

In Bulletin No. 63 a partial analysis is made of the specific mortgages on actual farms which are occupied by owners apart from hired farms, and acres which are not strictly farms. Deductions from these figures, applied to the total mortgage on acres in the United States, would give the following result:

Total mortgage on acres in the whole country, January 1,	
1890, ...	\$ 2,209,148,431
On farms occupied and worked by owners (estimated), . .	1,009,148,431
On hired farms and acres not strictly farms, ...	1,200,000,000

The encumbrance on hired farms is believed to be very small. The value of all the 4,564,641 farms in the United States in 1890, including improvements, was \$13,279,252,649. The estimated mortgage thereon, January 1, 1890, was \$1,009,148,431, equal to 8 per cent, subject to the addition of a small amount on hired farms.

In substantiation of these views of Mr. Atkinson, the following can be added from the last annual report of the Secretary of Agriculture, Sterling Morton. Speaking of the indebtedness of various classes of owners he says: "These figures show an enormous and constant indebtedness of the banks and bankers alongside of which the money in farm mortgages and the debts offered by farmers are relatively insignificant. The debts of railroads, bankers, manufacturers and merchants entitle them and not the farmers, to be called the 'debtor class' in America."

In closing this subject it may not be amiss to note that according to Mulhall the mortgage of real estate in England is 58 per cent of its value, and Sir Edward Sullivan says: "Since 1876 value of lands and

*Real estate
mortgages
in Eng-
land.*

incomes from farms in England have fallen from 30 to 50 per cent, but the interest on the mortgages remains the same." Of these same farmers Henry Fawcett, the eminent free trade economist, says:

There are few classes of workmen who in many respects are so thoroughly wretched as the English agricultural laborers. They are in many respects so miserably poor that if they were converted into slaves to-morrow it would be for the interest of their owners to feed them far better than they are at present. Throughout large agricultural districts not a single agricultural laborer will be found who has saved so much as a week's wages. A life of toiling and incessant industry offers no other prospect than a miserable old age.

But the condition of the English farmer is not the subject of this chapter, nor is it necessary to place the American agriculturist in contrast with the degraded and ruined tillers of other lands to prove his prosperity. He is the most happy, the most contented and withal the most prosperous of all our people. His labors, his cares, his responsibilities are all lighter than those of the average worker. His acres are his own. The products of his lands he can consume himself or sell at will. His house is a home and not a hovel.

CHAPTER V.

TEXTILES, IRON AND STEEL, AND MISCELLANEOUS INDUSTRIES.

*Growth of
the cotton
industry.*

Half a million persons were employed in the textile industries of this country in 1892 with wages exceeding \$165,000,000. The cotton industry dates back over a century, the Slater Mill of 1790 being the first successful one started in this country, and in 1890 221,585 persons were employed, turning out \$267,981,724 worth of cotton goods. Without a protective tariff this result could never have been accomplished. Great Britain had many years the start of us, and exerted herself by law and otherwise to crush out the industry here. American grown cotton was not then used. Slater insisted on importing his cotton from India, and the man who had predicted that the United States would one day grow cotton for the world would have been an object of ridicule. American cotton has been in use for about sixty years. In 1829 the crop amounted to 870,415 bales. In 1891 it exceeded 9,000,000 bales. A duty of three cents per pound was imposed in 1790 and remained with slight changes till 1846. From that year it continued on the free list till 1862. It was again made free in 1868 and has remained on the free list since. In 1799 we exported 9,000,000 pounds, in 1817 95,000,000 pounds, in 1845 872,000,000 pounds, and in 1894 2,669,026,886 pounds valued at \$207,964,384. We grow three-quarters of the world's crop and our American mills consume one-quarter of it. Our early cotton mills endured a hard struggle. The low duties (15 per cent ad valorem) were not sufficient to enable our manufacturers to withstand English competition. In 1807 we imported about \$11,000,000 worth of cotton goods from England, but in the following year came the embargo act, when imports of foreign goods were prohibited and our cotton manufactures took a rapid stride. The war of 1812 increased the output and in 1815 we had 500,000 spindles at work consuming 90,000 bales of raw cotton. At the same time England was using 235,350 bales and turning out far superior goods. In 1816 a uniform duty of 25 per cent ad valorem was imposed, this being increased to 35 per cent (minimum) in 1824. Even free traders like Professor Taussig admit that the protective duties of 1816 and 1824 were necessary for the continuance of the cotton industry of this country. Coarse cotton cloths at that time were worth twenty-five and thirty cents a yard. By 1846 the industry was firmly established and though the duty was reduced that year the reduction was slight and still sufficient. We were, however, making only the coarser grades. When the war of the rebellion came, and with it higher duties, finer grades were made. Since 1870 our progress in all grades of cotton manufactures has been rapid and constant.

The table on page 674, from the Bulletin of the National Association of Wool Manufacturers,¹ compiled from official sources, will show not only our own progress but a comparison with England as well.

The world has about 80,000,000 spindles in operation. France, Germany and Russia about 5,000,000 each. In India there are about 150 cotton mills with 3,500,000 spindles. In Japan there are over twenty mills in operation, and the manufacture is increasing with great rapidity.

With the establishment of cotton mills in the Southern States our growth in cotton manufacture is likely to continue, and with a return to protection and a restoration of a home market it will not be many years before we shall overtake England in the product of our cotton spindles. As for a foreign market of any value, we cannot obtain it as long as we pay 117 per cent higher wages than England. Our exports have not changed in ten years. For the present, at least, the home market under a protective tariff with an adequate duty on all grades of cotton goods to cover the difference in cost of manufacture, will suffice to sustain our great cotton industry and continue its progress.

The following table, showing the difference of wages in American and English cotton mills, was compiled by William Whitman, Jr., of Westerly, R. I., and the comparisons are drawn from two mills, one in Bolton, Lancashire, England, the other in New England, with both of which he had been connected:

Comparative wages.

CLASS OF HELP.	American mill	English mill.	Difference.
Boss pickers, ...	\$11.00	\$5.04	\$5.96
Helpers, ...	6.00	2.40	3.60
Boss carder, ...	24.00	8.64	15.36
Second hand, ...	15.00	6.50	8.50
Card grinders, ...	11.00	5.04	5.96
Card boy, ...	5.00	2.40	2.60
Card girl, ...	3.75	2.16	1.59
Comber tenders, ...	7.00	3.48	3.52
Silver lap tenders, ...	5.00	2.16	2.84
Ribbon lap tenders, ...	5.50	2.76	2.74
Drawing lap tenders, ...	6.00	3.00	3.00
Slubbing lap tenders, ...	6.50	3.48	3.02
Inter lap tenders, ...	7.50	3.48	4.02
Roving lap tenders, ...	8.00	3.98	4.02
Jack lap tenders, ...	8.55	4.20	4.35
Mule spinners, ...	16.00	9.12	6.88
Mule overseer, ...	24.00	9.60	14.40
Mule back boy, ...	3.00	1.92	1.08
Engineer, ...	18.00	7.20	10.80
Fireman, ...	13.00	6.00	7.00
Machinist, ...	15.00	6.72	8.28
Packer, ...	10.00	5.04	4.96
Comber overseer, ...	15.00	7.20	7.80
Boss warehouse, ...	14.00	7.20	6.80
Total, ...	\$257.80	\$118.72	\$139.08

¹ Page 261, Bulletin, 1892.

Comparative progress of cotton manufactures in the United States.

Spindles, Cotton Consumption, and Value of Cotton Manufactures.—Great Britain and the United States.

ENGLAND.

	SPINDLES.			COTTON USED.				PRODUCT.		
	Number.	Increase.	Per cent Increase.	Pounds.	Increase.	Per cent Increase.	Pounds per Spindle.	Value.	Increase.	Per cent Increase.
1832 . .	9,000,000			300,000,000				\$195,000,000		
1838 . .	13,000,000	4,000,000	44.4	410,000,000	110,000,000	36.7	31.6	240,000,000	\$45,000,000	23
1850 . .	20,977,017	7,977,017	61.4	611,000,000	201,000,000	49	29.1	245,000,000	5,000,000	2.1
1860 . .	30,430,467	9,453,450	45	978,300,000	367,300,000	60	32.1	405,000,000	160,000,000	65.3
1870 . .	33,995,221	3,564,754	11.7	1,052,470,000	74,170,000	7.6	32.9	455,000,000	50,000,060	12.3
1880 . .	37,670,000	3,674,779	8.9	1,404,000,000	351,530,000	33.4	37.3	525,000,000	70,000,000	15.4
1889 . .	40,515,162	2,845,162	7.5	1,508,000,000	104,000,000	7.3	37.2			

UNITED STATES.

	SPINDLES.			COTTON USED.				PRODUCT.		
	Number.	Increase.	Per cent Increase.	Pounds.	Increase.	Per cent Increase.	Pounds per Spindle.	Value.	Increase.	Per cent Increase.
1830 . .	1,240,000			77,000,000				\$40,000,000		
1840 . .	2,284,631	1,044,631	84.3	113,058,000	36,058,000	47	49.5	50,000,000	\$10,000,000	25
1850 . .	3,633,693	1,349,062	59.5	272,527,000	159,469,000	141.5	75	70,000,000	20,000,000	40
1860 . .	5,235,727	1,602,034	44.9	422,705,000	150,178,000	55.1	80.7	120,000,000	50,000,000	71.4
1870 . .	7,132,415	1,896,688	26.7	398,302,000	124,403,000	15.8	55.9	150,000,000	30,000,000	25
1880 . .	10,653,435	3,521,020	50.7	750,344,000	352,042,000	88.4	70.5	192,000,000	42,000,000	28
1890 . .	14,350,000	3,696,565	34.7	1,117,946,000	367,602,000	49	79.3	268,000,000	76,000,000	39.6

¹ Decrease.

It will be seen that the difference in favor of the English manufacturer is 117 per cent in labor cost. Besides this he has the most efficient machinery in use, abundant capital, long established markets and trade relations, and artisans as skillful as any in the world. The advantage derived from labor cost alone enables the British manufacturer to undersell the American in every foreign market, and if our duties were removed we should be compelled to reduce our wages to the British level or close our mills. It has been proven in preceding chapters by the evidence of English manufacturers, that we not only owe the establishment of this industry to protection, but that without protection it would be ruined.

Existence of cotton manufactures depends upon protection.

This is true notwithstanding the fact that it is an old industry; that it has received the most constant and highest protection of all industries, and that there has been attracted to it abundant capital, and our ablest and most competent manufacturers, who have placed it on the most efficient basis, so far as the best machinery, the latest and most approved appliances are concerned. Again, it has the advantage of free raw material, as cheap raw material as the industry of any country. Yet we cannot pay 117 per cent higher wages than are paid in England and make goods as cheaply as they can. It is all nonsense to talk about the superiority of our labor when many of our operatives came from England, where they learned their trades. If our manufacturers could make goods cheaper than they can be made in England, they would be quite as apt to find it out as the free trade agitators. Our manufacturers are anxious to extend their business, and if, in fact, they could make goods cheaper than foreign rivals, they would be shipping their fabrics to South America and other points as accessible to them as to any one. Customers would be found, goods sold and our exports would increase, but this has not been done and cannot be done so long as they pay 117 per cent, or more than double the wages paid in England. This fact, well understood by the cotton trade of the entire world, is questioned only by the free trade agitators.

Knit goods though classified in the census under woolen manufactures come properly under cotton. In 1850 there were but 85 knitting mills in this country. In 1890 there were 807 paying \$18,000,000 in wages and producing \$67,000,000 worth of fabrics. In three years under the McKinley bill these 807 knitting mills had increased to 993. It was almost impossible for hosiery and knit goods manufacturers to get sufficient hands to meet the demands. And yet in a single year under the Gorman tariff this condition has been reversed, and mills and thousands of operatives are idle. The protection afforded by the McKinley bill is necessary for the continuance of the industry on anything like the scale of 1893. A dollar is paid in Philadelphia for precisely the same service for which a mark is paid in the knitting mills of Germany.

Knit goods.

But the benefit is by no means confined to the laborers in the industry itself.

A demand has been made on American genius and invention with the result that there has been wonderful development and improvement in the manufacture of machinery, much of which is now used in European mills. But for the establishment of the knitting goods industry here neither we nor our competitors in Europe would have had the machinery now used and not only our own people but the people of Europe would be paying much higher prices for the comfortable clothing now obtained so reasonably.

*Lace
curtains.*

The lace curtain industry was hardly known in this country till the McKinley bill imposed a duty of 60 per cent on fabrics that previously had a duty of only 40 per cent. In three years instead of one plant with 12 machines there were 122 machines capable of producing weekly from 50,000 to 100,000 pairs of curtains. Our manufacturers were compelled to pay 50 per cent more for their machinery than their foreign competitors paid, as it is not yet constructed in this country. As for the difference in wages the following table shows the prices paid for labor in Scotland and the United States :

	Scotch labor (per week).	American labor (per week).
Fixers, men, ...	\$10.00	\$20.00
Weavers, men, ...	6.00	\$12.00 to \$15.00
Shuttlers, boys, ...	\$1.50 to 2.50	4.00 to 6.00
Brass winders, females, ...	2.50	6.00 to 7.00
Menders, females, ...	3.50	5.00 to 9.00
Winders, females, ...	3.00	6.00 to 8.00
Operators, females, ...	3.00	6.00 to 8.00
Odd help, females, ...	2.00	4.00 to 8.00

*Attraction
of foreign
capital.*

And with the increased duty and the increased employment of labor came a reduction of 25 per cent in the price of lace curtains. Messrs. Cleland & Campbell, of the Columbia (Pa.) Lace Company, who also operate a factory in Scotland, declared that if the McKinley bill had remained in force another year seven-eighths of the lace manufactories of Nottingham and Scotland would now be located in America. But the duty was made 45 per cent by the Gorman-Wilson bill, and like scores of other industries that of lace curtains hangs in the balance.

Mr. Cleland, the senior partner of the above-mentioned firm, talked freely to a newspaper correspondent in 1892, as follows:

We had to come. We were knocked out completely by the raising of the duty. America is the greatest consumer of lace curtains in the world. There are more people here than in any other country who can afford to have lace curtains in their homes. So, when the American market was closed to us there was nothing

for us to do but to get inside of the tariff fence. If President Harrison is elected, as I most earnestly hope he will be, there will be lots of other concerns in our line of business who will move over also. We are loaded down with orders for months ahead, and the outlook is good for a most prosperous business in spite of the high wages we must pay.

As to wages, we will have to pay more than double what we did in Scotland. The men who tend the machines we paid over there 24 shillings a week—about \$6 in your money. Here we must pay them \$15 a week. The same proportion runs through the whole scale. As to the cost of living, it is not much greater here than in Scotland, with the exception of rents. But even that difference is not as great as it seems, because the accommodations here are so infinitely superior. There families live in two rooms, a kitchen and a bed-room. Here we are building a row of houses for our workmen with four rooms each. Where the men paid \$3 a month rent over there they will pay \$8 here, but the quarters are three times as comfortable. The prices of food are about the same in both countries. Clothes are a little higher, but that is compensated for by the fact that they don't need as heavy clothes here. Some of my men bought a lot of clothes before they came over, and now find them so heavy they can't wear them here. In fact, they laid in a stock of everything, down to pipes and matches, on the supposition that prices were so much higher here, and now they find in many cases that they could get better things for their money in this country. In short, they can live here on the money they earned in the old country and save the difference between wages there and here.

We are all delighted with America, and have received the kindest welcome here. For myself, I haven't been homesick a day. Now that I am a resident of the United States I am a firm believer in Republican principles and the policy of protection. In the lace business it's the only thing that protects you from the competition of the old countries. If it were not for the duty there wouldn't be a bobbin turning in this country. I presume the same holds good in other industries.

Wool and its manufacture in the United States are so closely identified as to warrant their being treated together. Without our woolen mills our sheep industry would amount to but little. Without our sheep and their wool our woolen mills would be at a great disadvantage. As early as 1657 protection was afforded to wool and woolens in Virginia by prohibiting transportation of sheep out of the colony and by a bounty of five pounds of tobacco for every yard of woolen cloth made in the colony. Various laws were made for the encouragement of the woolen industry up to the Revolution.

*Wool and
woolen
manufac-
tures.*

It was not till 1816, however, that a duty was imposed on wool and from that time till the Gorman-Wilson tariff of 1894 the whole duty has never been removed, though certain grades were admitted free under the laws of 1833 and 1857. The industry was of slow growth up to 1860. In 1840 we had 19,000,000 sheep and during the next twenty years under a revenue duty the number increased only 3,000,000 while in the next twenty-five years under protection the number had increased to 50,000,000, a gain of 125 per cent. The subject of sheep and wool has been treated somewhat in detail elsewhere. To show our progress in the manufacture of woolens the following table is appended :

MANUFACTURE AND IMPORTATION OF WOOLENS.

YEAR.	Domestic manufactures.			Importations.		
	Value.	Value per capita.	Percentage of total consumption.	Value.	Value per capita.	Percentage of total consumption.
1820, . .	\$4,413,068	\$.46	38	\$7,238,954	\$.75	62
1830, . .	14,528,166	.88	64	8,290,062	.75	36
1840, . .	20,696,999	.82	60	13,950,772	.94	40
1850, . .	43,207,545	1.86	77	13,005,852	.65	23
1860, . .	65,596,364	2.09	68	31,333,273	1.16	32
1870, . .	177,495,689	4.60	85	33,046,521	.94	15
1880, . .	267,252,913	5.34	87	39,537,694	.90	13
1890, . .	338,231,109	5.40	86	54,165,422	.86	14

*Effect of
tariff legis-
lation on
wool and
woolens.*

On no branch of American industry has the tariff so much effect as on wool and woolens. This has been shown most clearly in the last five years. The effect of a most judicious adjustment of duties by the McKinley bill was the running of every mill in the country at full time, and in many cases at over time. In the year ending June 30, 1893, the importations of raw wool were the largest ever known, and amounted to 168,000,000 pounds. Our mills consumed not only all of our own products, but this 168,000,000 pounds of foreign wool besides. As our imports of manufactures did not materially increase, it proved clearly an increase in the demands of the American market, and yet the price of clothing was lower than ever before. But the menace of free wool and lower duties on woolens turned all this prosperity of both producer and consumer into disaster and ruin. The Commercial Bulletin of Boston sums up the situation as follows:

In all lines of business 1893 will be remembered as a year of agony. In the wool trade it has been a more fearful succession of disaster and breakdown than could have been imagined. During the year the price of wool has been reduced almost one-half. Shut-downs, cut wages, strikes and failures have been the daily pabulum for ten months of the last twelve.

Yet this year opened more prosperously from a commercial standpoint than any we have known. An unprecedented condition of prosperity has in twelve months been converted to an unprecedented condition of adversity. Financial disturbances helped, but the one primal cause of this wide-reaching suffering is the vote of the American people in November, 1892, in favor of breaking protective tariff.

The effect of the reduced duties under the act of 1883 in stimulating employment of business in Bradford, England, may be seen from the following table, compiled from the reports of the Hon. John A. Tibbit, United States Consul:

EXPORTS FROM BRADFORD TO UNITED STATES IN 1883 AND 1890.

	1883.	1890.
Camel's hair tops, ...	\$59,332	\$446,275
Card clothing, ...	25,120	65,960
Carpets and rugs, ...	272,686	303,037
Cotton goods, ...	51,663	169,189
Cow and calf hair, ...	1,191	65,891
Hair cloths, ...	120,709	12,127
Hemp bagging, ...	.	394
Machinery, ...	207,298	468,796
Mohair goat's hair, ...	28,191	223,071
Noils, ...	39,451	114,042
Shawls, etc., ...	11,450	16,441
Shoddy, ...	.	7,724
Silk, silk seals, plushes, etc., ...	54,188	2,244,311
Silk waste, ...	37,372	19,590
Stuff goods, ...	6,239,074	10,601,794
Tapestry, damask, etc., ...	13,330	20,357
Waste, worsted, ...	386,500	445,152
Wool, ...	886,988	1,338,061
Woolen goods, ...	245,953	271,775
Worsted coatings, ...	1,603,011	5,310,107
Yarns, worsted, ...	312,675	914,123
Yarns, mohair, ...	.	174,779
Yarns, other, ...	.	120,453
Total, ...	\$10,596,182	\$23,353,449

Increase of imports under the tariff of 1883—Eff. of the McKinley act.

It was the constantly increasing imports of such articles which, in 1890, prompted the protectionist party in the Congress of the United States to raise the duties on those articles in order that they might be made in American factories by American labor. The result of such legislation has been the decline in imports of some of the principal articles from Bradford, England, as shown by the report of the United States Consul, Hon. John A. Tibbit, as follows:

IMPORTS DURING THE TWELVE MONTHS CLOSING JUNE 30, 1890, AND JUNE 30, 1891.

	1890.	1891.
Stuffs, ...	\$2,178,524	\$ 957,907
Worsted coatings, ...	1,091,153	518,425
Woolen goods, ...	55,845	24,380
Carpets and rugs, ...	62,270	24,386
Silks, seals and plushes, ...	461,176	62,270
Worsted and mohair yarns, ...	187,138	41,628
Total, ...	\$4,036,106	\$1,628,996

The increase of duties in 1890, which checked imports into the United States, was met by the British manufacturers in their struggle to hold a

*The tariff
of 1894.*

share of the market by a reduction in wages. It was in the face of such recent results and experience that the free trade party in the United States Congress, through the Gorman-Wilson bill of 1894, reduced the duties on woolen goods to a point much below the act of 1883. This could only have been done for the definite and specific purpose of placing the American woolen market in the hands of British manufacturers. The revival of business, which is now going on in the Bradford district, is solely the result of such legislation. With their cheap labor, efficient machinery and vast facilities for manufacturing, the English manufacturers can supply the entire American market and completely supplant the vast industry which has been built up and maintained by the system of protection. It is apparent, from the evidence of English manufacturers given elsewhere, that they will be benefited by the recent work of the free trade party in the United States and that the people of this country, under their present wage rate, are powerless, even under low import duties, to resist an inundation of the American markets of the goods made by the low paid labor of England.

Not only does the injury fall upon our manufacturers and operatives, but the sheep owner is deprived of a market for his wool, thereby decreasing his income and means to purchase manufactures. Here again is shown the interdependence of all our industries. A blow to one injures all. The loss is felt throughout the land. Transportation suffers. Capital is idle. Labor is unemployed. Not only does the individual suffer, but there is loss of national revenue and national wealth.

But it is not to England alone that we must look for an invasion of our markets. Germany, France and Belgium are successfully contesting neutral markets with English manufacturers. Under the shield of protection their home markets are made secure, while a vast surplus is being poured into England. How shallow and senseless becomes the talk indulged in by the United States free traders of our capturing the markets of the world. When the scheme is unmasked it is found that the United States markets are the ones which will be captured.

To show exactly what we must contend against the following table is given showing the wages in the worsted industry in Massachusetts, England, France and Belgium; the wages in Germany being about the same as Belgium. The table is valuable for the reason that it was prepared by Mr. F. W. Hobbs, of Boston, after months of thorough investigation in all the countries named and because a specific industry was taken, the wages in every case representing the same grade of labor and same grade of work:

OCCUPATION.	Massachu- setts.	England.	Per cent of difference.	France.	Per cent of difference.	Belgium.	Per cent of difference.	Comparative wages.
<i>Spinning:</i>								
Overlookers (English System),	\$13.50	\$7.78	73.5	...	...	\$4.56	198.1	
Yarn Inspectors, ...	7.50	3.89	92.8	...	...	...	...	
Spinners (full time), ...	6.00	2.43	146.9	...	...	2.00	200.0	
Spinners (two half timers), ...	6.00	1.94	209.3	...	...	...	...	
Overlookers (mule), ...	15.00	...	...	\$7.98	88.0	5.70	163.2	
Spinners (mule), ...	13.50	...	...	5.13	163.2	4.12	227.7	
Doffers (head), ...	4.80	2.06	133.0	...	...	...	...	
Doffers, ...	4.20	1.94	116.5	...	...	1.15	265.2	
Takers-off, ...	4.50	1.94	132.0	...	...	...	...	
Cleaners, ...	4.80	...	...	...	...	...	...	
Tape fixers, ...	6.90	1.94	250.5	...	...	...	...	
Boy helpers, ...	4.20	1.22	244.3	2.28	84.2	1.15	265.2	
<i>Wool Sorters:</i>								
Average earnings, ...	11.00	7.29	50.9	7.98	37.8	5.42	103.0	
<i>Weaving:</i>								
Overlookers, ...	15.00	8.26	81.6	7.70	94.8	5.70	163.2	
Assistant Overlookers, ...	9.00	4.36	106.4	4.56	97.1	3.42	163.2	
Weavers, ...	7.00	3.40	105.9	4.56	53.7	3.15	122.2	
<i>Machine and Repair Shop:</i>								
Carpenters, ...	13.50	6.80	98.5	5.13	163.2	4.87	177.2	
Machinists, ...	13.20	7.29	81.1	6.84	93.0	4.87	171.0	
Blacksmiths, ...	12.00	7.29	64.6	6.84	75.4	4.87	146.4	
Stokers, ...	9.00	4.37	105.9	4.56	97.4	4.57	96.9	
Engineers, ...	15.00	7.29	105.8	8.55	75.4	4.87	208.0	
<i>Washing:</i>								
Overlookers, ...	13.50	8.75	54.2	7.98	69.2	5.70	136.9	
Washers, ...	7.50	4.62	62.1	3.71	102.2	3.42	119.3	
<i>Carding:</i>								
Overlookers, ...	16.50	9.72	69.7	7.98	107.6	5.70	189.5	
Grinders and Strippers, ...	9.00	4.37	106.0	4.85	85.6	4.30	104.4	
Carders, ...	6.60	3.04	117.1	2.80	135.7	3.14	110.2	
<i>Combing:</i>								
Overlookers, ...	16.50	9.00	83.3	11.40	44.8	5.70	189.5	
Assistant Overlookers, ...	9.00	5.58	61.3	5.70	57.9	3.42	163.2	
Backwashers, ...	6.00	2.92	105.5	3.71	61.7	2.57	133.4	
Gill Box, ...	5.70	2.67	103.5	2.99	90.7	2.28	150.0	
Ballers, ...	6.00	2.67	124.7	...	...	...	...	
Comb Binders, ...	7.50	3.40	120.6	3.42	119.3	2.85	163.2	
Finishers, ...	5.70	2.92	95.2	3.14	87.9	2.28	150.0	
<i>Drawing and Roving:</i>								
Overlookers, ...	15.00	8.75	71.4	...	...	...	...	
Assistant Overlookers, ...	9.00	4.37	106.0	...	...	...	...	
2 Can Gill Box, ...	6.30	2.79	125.8	...	...	...	...	
2 Spindle Gill Box, ...	6.30	2.79	125.8	...	...	...	...	
4 " Draw Box, ...	6.60	2.67	147.2	...	...	...	...	
8 " Weigh Box, ...	6.30	2.67	135.9	...	...	...	...	
8 " First Finisher, ...	6.30	2.55	147.1	...	...	...	...	
8 " Second Finisher, ...	6.30	2.55	147.1	...	...	...	...	
30 " Reducer, ...	6.30	2.43	159.3	...	...	...	...	
30 " Roving, ...	6.00	2.43	146.9	...	...	...	...	
<i>Drawing and Roving (French System):</i>								
Overlookers, ...	13.50	...	...	7.60	77.6	5.75	134.8	
Assistant Overlookers, ...	7.50	...	...	4.75	57.9	3.42	119.3	
Gill Box, ...	6.30	...	...	2.85	121.1	2.28	176.3	
Second Gill Box, ...	6.30	...	...	2.85	121.1	2.28	176.3	
Roving, ...	6.30	...	...	2.57	145.1	2.20	186.4	
Second Roving, ...	6.30	...	...	2.80	125.0	2.28	176.3	

Adequate duties on wool and woolens show a different result from free wool and inadequate duties on woolens. Here are the two results :

1891-92. UNDER MCKINLEY BILL.	1894-95. UNDER GORMAN BILL.
American sheep increasing in number. American mills running at full and over time. <u>Work seeking workers.</u>	American sheep decreasing in number. American mills closed or running part time. <u>Workers seeking work.</u>
English mills running at short time.	English mills running full or over time.

*Inability
of the
United
States to
compete
on account
of the high
price of
labor.*

It has been shown in a previous chapter, by the evidence of British woolen manufacturers, that our high wages make it impossible for us to compete with England. Mr. Henry Mitchel, member of the Bradford Chamber of Commerce, testified in a passage already quoted (p. 256), that "labor is much higher in the United States . . . they are never likely to be serious competitors with us." This fact is well understood by the British manufacturers. Mr. Mitchel also showed that the slight reduction in import duties of 15 per cent, in 1883, was the cause of the increased imports from England to the United States from 1883 to 1890. This slight reduction increased imports from \$35,000,000 in 1885 to over \$54,000,000 in 1890. When duties were raised by the McKinley bill the imports dropped, in two years, down to \$35,000,000 again. A reduction of duties of 15 per cent in 1883 gave increased employment to foreign labor, while an advance in duties in 1890, placed over \$21,000,000 a year in the pockets of American laborers and manufacturers. Again the Gorman-Wilson bill has reduced the duties below the rate of 1883 and foreign mills are busy and American mills are idle, but this is a source of satisfaction to Mr. Cleveland and his associates. This is the identical result which they intended to bring about. It is idle to discuss the effect of high tariffs or low tariffs on American industries, when there is no dispute between free traders and protectionists upon this point. Mr. Cleveland, Mr. Wilson and all the leaders of the free trade party know as well as the British manufacturers that employers in the United States cannot pay over 100 per cent higher wages to labor and compete with foreign producers. They know that it cannot be done even with free wool. That if American manufacturers buy their wool in Australia or in the London market so far as the raw material is concerned they are simply placed on an equal footing with British manufacturers, and that there is still the difference of over 100 per cent in wages standing in favor of the foreigner. This talk of free wool, of our capturing foreign markets has been a sham from the beginning. The purpose of the whole movement has been to ruin the American industry, sheep and all, and to turn the American markets over to aliens. This is precisely what is being accomplished and is what was expected by every one,

excepting those who have allowed themselves to be deceived by the misrepresentations of free traders.

American homes are the best carpeted in the world. The first American carpet was made in Philadelphia. In 1810 about 10,000 yards of carpeting were made in the United States. In 1860, 13,285,921 yards were made, valued at \$7,857,630, while in 1890 the product had reached over 80,000,000 yards, valued at \$50,000,000. The progress from 1850 to 1860 amounted to very little, all the growth of this great industry having taken place under the protective tariffs since that time. Our carpet exports in 1893 amounted to less than \$75,000 in value, showing again the value of a home market that practically consumes our entire output. A duty of 7½ per cent was put on carpets in 1790. This was gradually increased till 1824 when a specific rate was levied and continued till 1846, when an ad valorem duty was again imposed. In 1861 a change was made again to specific rates by different grades and qualities. The tariff did not recognize carpet wool as such till 1867. At present we produce only about 7 per cent of our consumption of this wool, which is about 80,000,000 pounds annually. That we could with adequate protection produce the whole of this is clearly shown elsewhere. In twenty-five years the prices of all grades of carpets have been reduced over one-half, and the quality and durability have been constantly improved. And yet our carpet industry paying over \$12,000,000 annually in wages and producing fabrics at prices within the reach of all was by the Gorman-Wilson tariff marked as one of the industries to be crippled. Tapestries and velvet grades cannot be made in this country under a low tariff at any rate of wages however low. Ingrains cannot be profitably made without a reduction of wages to the level of English wages, which are less than half the rates paid in this country.

Carpet industry.

The reader may be interested in the following paragraphs taken from the report of G. W. Roosevelt, United States Consul at Brussels, 1889:

I may add that carpets were never manufactured at Brussels, but in former years beautiful tapestry used for wall decoration was made here. This industry, however, no longer exists, the disappearance of which is attributed to the English, who adopted the designs and imitated them in carpets which they introduced to the trade as "Brussels tapestry carpets;" hence the origin of the name Brussels carpets.

The so-called Brussels carpets, manufactured in England, are placed upon this market at a much lower rate than the same articles can be produced in Belgium; consequently England supplies this market, and Belgian dealers exporting carpets furnish foreign markets with English goods.

The American Brussels carpets which once sold at \$1.50 and \$2 per yard retail can now be had for 75 cents per yard and can be found in almost every home in the land. Once our own industry is destroyed and England gains possession of our market the price will again exceed one dollar. It will not be lower. Free trade in carpets means less wages or no wages and a higher price for the article itself.

Clothing industry.

The attack under the Gorman-Wilson bill was made upon our woolen industry because imports could be increased by reducing duties. England is now making a large share of our woollens for us, and we are sending our gold to pay for them. She has given up the idea of gaining our iron market, for the present, at least, but it was not difficult to destroy our woolen industry and gain our market in woolen goods.

The subject of clothing has given the free trader much apparent concern. He has pictured the poor laboring man as being taxed to death for what he wears on his back. The fact is that the American workman can dress as cheaply and at the same time as well as the English laborer. In 1890 the condition of our men's clothing industry was as follows, compared with 1860:

	1860.	1890.	Per cent increase.
Number of establishments, ...	4,014	18,658	365
Hands employed, ...	114,800	243,857	112
Wages paid, ...	\$19,856,426	\$111,389,672	462
Material used, ...	44,149,752	179,425,661	306
Value of product, ...	\$80,830,555	\$378,022,815	354

As usual under protection labor gains the most. Nearly, if not quite, \$350,000,000 in wages annually is represented in the output of this industry in its various processes. But it must be remembered that the above figures do not represent the whole of our clothing industry. In every city and town there are custom tailors who give employment to thousands of men and women.

Shoddy.

While on the subject of clothing it will be pertinent to touch upon the question of shoddy. What is shoddy? It is primarily the flue or thread shed from cloth while weaving, practically refuse matter, sometimes mixed with the basest of elements and made up into cloth, if we may dignify it by that name. It is purely a free trade fabric. This is no idle assertion, but is proven by the following table of imports:

IMPORTS OF SHODDY.

	Quantity. Pounds.	Value.	Duty per pound.
1890, ...	4,980,327	\$2,052,078	10 cents—old duty.
1891, ...	1,185,591	429,870	30 cents—McKinley bill.
1892, ...	262,992	87,825	
1893, ...	333,376	106,596	
1894, ...	143,002	47,522	15 cents—Gorman-Wilson bill.
1895, ...	14,066,054	1,980,464	

The Republican duty was almost prohibitive, and in those times we had but little use for it. If the material were sold as shoddy there might be some excuse for the use of a limited amount, but it is sent here as woolens, and many buy it when they might be wearing for the same price honest goods made by American workmen.

The whole woolen industry question could be no better explained than in the following extract from the London Financial News of October 8, 1895:

Effect of reduced duties on the woolen industry.

The great prosperity of the wool trades has, fortunately, more than offset the retrogression in cotton, though that reflection brings small consolation to Lancashire. The total gain for the nine months under yarns and textiles is \$16,488,375, and as the value of woolen tissues taken by the United States has been about \$4,750,000 and of worsted tissues nearly \$15,000,000 greater than in 1894, no further search for the origin of the improvement in the trade returns need be made. The lowering of the American tariff has been our salvation, and it cannot be said that we have shown much reciprocity; for, instead of taking the increased value of our shipments across the Atlantic in kind, we seem to have bought less American produce. It is needless to go beyond our own board of trade returns to find an explanation of a good deal of the monetary trouble in the United States.

Practically every penny that was subscribed here toward the recent American loan has been got back through the extension in the exports of woolens and worsteds; but the United States has not confined her increased purchases to those articles. Last month she bought less raw wool than in September, 1894, but had to pay more for it. She took more cotton pieces, more iron, more alkali and more of sundry articles which need not be specified. In some instances the rapid growth of the preceding months resulted in a slight check in September, but in all these cases the figures of the nine months show a big advance on 1894. On the other hand, we have paid a good deal less for American wheat, flour, bacon, hams, cheese, tallow and cotton, to mention only those articles in which the contraction is most apparent.

This is the result of a partial triumph of free trade. It fulfills the prediction of protectionists and is not disappointing to free traders.

In 1850 the total product of our silk mills was valued at less than \$2,000,000. In 1860 it had increased to \$6,607,741, and in 1890 it had reached the value of \$87,298,454. Under the additional stimulus of the McKinley bill it probably exceeded \$100,000,000 in 1892. In 1890 the capital invested was over \$50,000,000 and \$20,000,000 were paid in wages. Three million dozens of silk handkerchiefs alone were made. Before 1840 there was practically no silk industry here. It had gained but little by 1860. But in 1861 a duty of 60 per cent on silk manufactures was imposed and the growth of the industry has been rapid till 1893. We not only consume all we make but import nearly half as much more. Americans not only have carpeted floors while foreigners walk on boards, we not only have papered walls and lace curtains, our men and boys not only wear better clothes, but our wives and daughters wear more and better silks than any other women on earth. We now make the best silks worn. In thirty-five years we

Silk industry.

have overtaken and passed in the quality of silk fabrics nations with centuries the start of us. But that is not all. Silks of American make can now be purchased for about one-third the price of twenty-five years ago, and we have compelled the foreigner time and time again to reduce his prices to get into our market. The free trader tells us that protection enhances prices. The American silk manufacturer is one of many who tell the free trader that protection not only reduces the price of the American product, but the price of the foreign product as well. But there is this difference with the fall of prices, American labor remains the same or increases, while the European, to gain our market, must reduce his workman's wages. A glance at our foreign competitors in the silk industry will be interesting. There is England, where wages are one-third those in the United States. There are France and Germany, where wages are still lower. There is Italy where wages are one-fifth. There is Japan where wages are one-tenth, and there are India and China, where wages are one-twentieth. These are our rival silk workers, with generations of experience and with machinery equal to ours. The Japanese have 4000 silk looms of the most improved pattern. And with these must we compete. England, however, has ceased to be a strong competitor, for the French and German manufactures have flooded her markets and almost crushed out her silk industry. With free trade in the United States we should experience the same results.

*Effect of
tariff
legislation
on the silk
industry.*

As has been shown before, the benefits of a protective tariff do not stop with the establishment and maintenance of an industry itself. In all textile industries intricate and delicate machinery plays a most important part. In the decade from 1880 to 1890 our silk output increased from \$40,000,000 to nearly \$90,000,000. This created a demand for improved machinery. How this was met is shown by Robert P. Porter in Census Bulletin No. 384, as follows:

The number of spindles employed in silk manufacture has increased from 508,137 in 1880 to 1,254,798 in 1890, an increase of 746,661, or 146.9 per cent.

Even more noteworthy than this great increase in the number of spindles is the rapid disappearance of the old-time cumbersome hand looms, which are being superseded by the power loom, the inventive genius of the age having produced marvelous improvements in both mechanism, speed and artistic effects. At the census of 1880, 3152 hand looms were employed as against 1747 in 1890, a decrease of 1406, or 44.59 per cent. In 1890, 20,822 power looms were employed as against 5321 in 1880, an increase of 15,501, or 291.32 per cent. The total number of all looms employed in 1890 was 22,569, as against 8474 in 1880, an increase of 14,095, or 166.33 per cent.

The menace of free trade in 1893 was reflected in our silk industry in common with all others. Not more than half the machinery was running in 1894 and that upon short time. The Wilson bill made a severe cut, but the duties were largely advanced in the Senate bill which passed. A slight

reduction, however, is sometimes sufficient to cripple or destroy an industry, and it remains to be seen whether our silk industry can survive and thrive under present duties. In all but two articles the duty is ad valorem. This is serious indeed. There are no goods so difficult to value as silks. Undervaluation and fraud have and will exist in the importations of silk under ad valorem duties to a greater degree than in any other similar importations.

Silk producers attracted to the United States by the high duties.

In one branch of the silk industry the effect of protective and free trade legislation can be seen more clearly perhaps than in any other business. The McKinley bill imposed a duty on velvets, plushes or other pile fabrics containing, exclusive of selvages, less than 75 per cent in weight of silk, \$1.50 per pound and 15 per cent; containing 75 per cent or more in weight of silk, \$3.50 per pound and 15 per cent. Let us follow the effect in a single instance. In 1890 there was an establishment in Saltaire, England, employing 4500 hands, a part of whom were making these velvet and plush goods wholly for the American trade. The McKinley bill went into operation October 6, 1890. What was the result? The English mill shut down; not only that, but Sir Titus Salt, finding he could no longer manufacture velvets and plushes in England for Americans, removed his mill, his machinery and his workmen to America; and, by June 1, 1891, the works in Bridgeport, Conn., were running night and day to fill American orders. Instead of importing the goods we imported the industry. And we increased our home market to the extent of the additional purchasing power of those men. No American laborer was thrown out of employment. On the contrary this very new industry gave employment to many American workmen at good wages. Those men who came from England consumed while there say ten cents' worth of American products against ninety cents when they became American workmen. Their wages in England were \$6 to \$7 per week, here they were \$13 to \$14 per week. But this is not all. The prices of these very goods were reduced in a single year nearly 40 per cent. This is not an isolated instance. Other industries were imported here by the McKinley bill, in every case increasing our home market for other goods, giving employment to American workmen, reducing the price of the article manufactured and keeping both goods and the price paid for them in this country. Can any fair-minded man say that such a result is not advantageous to all concerned from the individual to the nation itself? And yet, with this very knowledge, the "reformers" of 1894 reduced the duty on the first grade of velvets and plushes mentioned above over 20 per cent and on the second grade from \$3.50 per pound and 15 per cent to \$1.50 per pound, a reduction of over 60 per cent. Here is what Mr. Richard Pearson, one of the superintendents of the Bridgeport factory, said:

I used to be a free trader at home. I believed in it; but when I found that Germany was sending velvets into England, and practically shutting us out of the business right at our own hearth-stone, I got tired of free trade. Of course,

Germany and France have made velvets for centuries, and both countries are well equipped; but to have them sell velvets in London more cheaply than we could make them at Saltaire, disgusted me with free trade. I am confident that we shall be able to make velvets here that will meet with a ready sale. The McKinley bill will permit us to do so. Why, if it were not for that bill, this plant would be still in Saltaire. There would have been no inducement for us to come here, but it has brought us here, and we have come to stay. Of course, if the McKinley bill should be repealed, we might go back. The buildings are still there and our machinery could easily be shipped.

It is hardly probable that they will go back to free trade England, but free trade would send them to France or Germany.

*Need of
protection
for flax.*

The best fibre and best and handsomest linen come from Silesia, a province of Russia, where they save both seed and fibre. The largest linen mill in the world is at Jaradova, Russia, where they employ 7000 hands in one mill and make very fine linen. The climate and soil of these countries are identical with those of the Northwestern part of the United States. Within a radius of 400 miles of Minneapolis there was raised in 1890 over 5,000,000 acres of flax, all of which could have been worked into fibre and been worth in cash to farmers over \$9,000,000, besides the seed. But to encourage and develop the industry of preparing fibre from the straw of flax, we must protect not only the fibre itself, but give still greater protection than is now enjoyed to the manufacture of linen and kindred industries. To show the necessity for this, the following table of comparative wages in this country and European countries is given:

AVERAGE RATE OF WEEKLY WAGES PAID IN THE FLAX SPINNING TRADE—
EUROPE AND AMERICA.

	United States.	Great Britain.	France.	Germany.	Russia, Eastern.	Russia, Western.
Sorters, ...	\$12.00	\$4.86	\$3.85	\$2.88		
Roughers, ...	12.00	4.86		2.30		
Machine workers, ...	5.00	1.46	1.35	1.46	\$.80	\$1.00
Spinners, ...	7.00	1.82	2.02	1.98	1.10	1.12
Reelers, ...	7.00	1.34	3.37	1.98		
Roving, ...	5.00	1.58	2.02	1.70	.64	1.12
Carders, ...	6.00	2.19	2.20	1.65		1.12
Spreaders, ...	8.00	1.70	2.02	1.55	.60	1.12
Drawing, ...	5.00	1.95	1.85	1.50	.54	1.12
Doffers, ...	3.50	1.34		1.15	.50	.75

*Hemp, jute
and ramie.*

As with flax so it is with hemp, jute and ramie. India now supplies the United States and all the world with jute. It is cultivated, steeped, cleaned, transported, sorted and baled by labor costing ten cents a day. The average price of baled jute in Calcutta is two and one-half cents a

pound. The soil and climate of the South are as well adapted to jute culture as those of India, but a day's farm labor in the South costs from fifty to seventy-five cents. We certainly can grow jute in the United States, for we have already done so to a limited extent. We need only protection against the low-priced labor of India to enable us to produce all that we consume. Hemp of the very best quality, better, in fact, than that produced anywhere else in the world, has been grown in America. Ramie has been successfully grown in the Southern States and in Southern California.

There is no reason why the United States should not become the greatest fibre producing country on the globe. It would not only add millions of dollars to the income of our farmers, many of whom are raising products at little or no profit, but it would stimulate the manufactures of these same products, giving employment to labor at high wages and still further increasing the purchasing income of millions of laborers, thereby creating a home market for other products of the farm and factory far in excess of that which is now enjoyed.

It would seem as if the high wages here would increase the cost of linen manufactures. The contrary has been the case. In linen threads, in shirts, in collars and cuffs, and, in fact, in every manufacture of linen the price has fallen from one-quarter to one-half in the last thirty years. Flax and hemp were put on the free list by the Gorman-Wilson bill. Jute is on the free list. If our farmers were educated to the importance of fibre production, and the industry were once established by the adoption of an adequate tariff, the cost would be reduced, and we would soon supply not only our own needs but export to other countries.

Nowhere can the beneficent effects of a protective tariff be seen so clearly as in connection with the iron and steel industry. Mr. B. F. French, in his "History of the Iron Trade of the United States," says:

Iron and steel.

It is an established fact that in many departments of English industry, those who are interested will carry them on at a loss for years, to aid in retaining markets from which they are in danger of being excluded by commercial restrictions or industrial competition; and scarcely a branch of industry has sprung up in the United States which has not, at first, had to encounter a severe struggle in consequence of the foreign article being reduced in price below that with which it had been expected to compete.

In spite of the handicap mentioned by Mr. French, the iron and steel industry of the United States has made remarkable progress, particularly since 1860. In every branch, as soon as an adequate duty was levied, the manufacture began, and increased greatly while imports and prices decreased by an almost constant ratio. There is little to record prior to 1860. Every early attempt to manufacture iron in any form was generally crushed out by England in the manner described by Mr. French. In 1850 the total number of hands employed in the manufacture of pig iron, iron casting

and wrought iron was 60,285 and the total value of the product \$60,486,-153. In 1890 the value of product was, \$478,687,519.

While specific duties were imposed on twenty-nine articles previous to 1846, in that year duties were changed to a uniform 30 per cent ad valorem rate, which was reduced to 24 per cent in 1857. The immediate effect of the tariffs of 1842 and 1846 can be seen from the following, taken from a volume printed in 1850:

NEW IRON WORKS AND FAILURES IN PENNSYLVANIA FROM 1842 TO 1850
INCLUSIVE.

YEAR.	New works.	Failures.	YEAR.	New works.	Failures.
1843, ...	7	7	1847, ...	25	24
1844, ...	21	11	1848, ...	17	37
1845, ...	40	3	1849, ...	10	41
1846, ...	53	4	1850, ...	7	22

It should be remembered that the tariff of July 30, 1846, did not go into effect till December 1 of that year. The experience of Pennsylvania was that of the whole country. On December 29, 1849, the firm of Cooper & Hewitt wrote a letter to the New York Journal of Commerce which was commended to the attention of Congress then in session. An extract from that letter reads as follows:

There are one or two positions in the country which combine such extraordinary natural advantages with every superior quality as to make them almost independent of legislation; but as to the great fact that the great majority of establishments, judiciously located, and managed with proper skill and economy, have been compelled to suspend work, throughout the land, for want of remunerative work, there can not be a shadow of doubt. . . .

A few merchant mills are kept in motion, from the absolute necessity of having a certain amount of iron of superior quality for fine work; but of fifteen rail mills only two are in operation, doing partial work, and that only because their inland position secured them against foreign competition for the limited orders of neighboring railroads—and when these are executed not a single rail mill will be at work in the land.

Nothing, however, was done and like the other industries of the country the iron trade had to depend on the ameliorating influences of gold discoveries and a foreign war. But these were at best artificial and temporary, and 1860 found the iron industry, as it did every other industry in the country, struggling for an existence. What the result has been since can best be gathered from table No. 26.

*Depression
of the iron
industry
under low
duties.*

TABLE NO. 26.

Table Showing Growth of Iron and Steel Industry in the United States, 1860 to 1890. Compiled from United States Census and Report of the American Iron and Steel Association.

Growth of iron and steel industry under protection.

	1860.	1870.	1880.	1890.
Number of establishments, .	1,807	808	1,005	645
Number of hands employed, .	48,975	77,555	140,978	152,535
Wages paid, ...	\$17,765,260	\$40,514,981	\$55,476,785	\$84,665,506
Cost of material used, ...	\$37,486,056	\$135,526,132	\$191,271,150	\$205,777,843
Value of product, ...	\$72,175,332	\$207,208,696	\$296,557,685	\$430,954,348
Production of iron ore, tons, .	908,300	3,031,891	7,120,362	14,518,041
Production of all kinds of coal, tons, ...	14,333,922	29,342,580	63,822,830	140,882,729
Production of pig iron, tons, .	821,223	1,665,179	3,835,191	9,202,703
Production of steel, tons, . . .		37,500	1,074,262	3,688,871
Production of steel rails, tons, ...		30,357	864,353	1,871,425

During this protective period the progress has been extraordinary. In every branch, as soon as adequately protective duties were imposed, mills were built, fires were lit and men employed at the highest wages ever known and with the results shown in the table. The inception and growth of the steel rail industry have already been shown. To single out another particular branch, wire nails were till 1883 under a duty of about one cent per pound. In 1883 a duty of four cents per pound was imposed. The table below will show the result:

OUTPUT OF WIRE NAILS IN THE UNITED STATES FROM THE COMMENCEMENT OF THEIR MANUFACTURE IN 1875 TO 1894.

YEAR.	Number of kegs. 100 pounds.	Price per pound. Cents.	YEAR.	Number of kegs. 100 pounds.	Price per pound. Cents.
1875, ...	1,000	10.00	1885, ...	200,000	6.09
1876, ...	2,000	10.00	1886, ...	300,000	4.64
1877, ...	3,000	9.50	1887, ...	500,000	3.81
1878, ...	5,000	9.00	1888, ...	1,000,000	3.20
1879, ...	10,000	7.95	1889, ...	2,200,000	2.96
1880, ...	20,000	7.98	1890, ...	3,500,000	2.85
1881, ...	30,000	8.35	1891, ...	4,114,385	2.05
1882, ...	50,000	8.32	1892, ...	4,719,524	. . .
1883, ...	80,000	8.35	1893, ...	5,095,945	. . .
1884, ...	120,000	7.44	1894, ...	5,681,801	. . .

The price in 1892 in large lots was 1.55 cents per pound, and since 1886 the price has been less than the duty.

It would take volumes to give a detailed statement of all branches of the iron and steel industry. Suffice it to say that in a quarter of a century

we have overtaken and passed Great Britain. Here the free trader interrupts with the assertion that "iron masters" and "robber barons" of Pennsylvania and other States have made wonderful progress and enormous profits under protection while the poor workmen have been robbed of their share of the booty. Let us see how the poor workman has been robbed. First, what share does he contribute, or rather what share does he reap of the total cost of his production? The labor cost in iron and steel production will be found in the chapter devoted to that subject. An idea of the wages received here and abroad can be gained from the following tables of wages paid in the iron and steel, railroad and mining industries in the United States and Europe, which were prepared and presented to the Ways and Means Committee by W. R. Sterling, First Vice-President of the Illinois Steel Company :¹

COMPARATIVE WAGES PAID IN CONNELLSVILLE COAL REGION, PENNSYLVANIA, AND IN THE COAL MINES OF LANARKSHIRE, SCOTLAND, SCOTCH RATES BEING REDUCED TO AMERICAN CURRENCY; YEARS 1887-88.

	Connellsville.	Lanarkshire.
Miners, per day,	\$1.95 to \$2.19	\$1.08 to \$1.26
Drivers, per day, ...	1.90 2.20	.60
Blacksmiths, ...	2.50	.96

COMPARATIVE WAGES PAID IN UNITED STATES AND LANARKSHIRE COAL MINES.

	Wilmington, Ill., 1893 (3-foot vein).	Danville, Ill., 1893 (6-foot vein).	Scotland, 1888.
Miners' (paid by the ton) average earnings, per day, ...	\$2.28	\$2.12	\$1.09
Engineers, per day, ...	\$2.00 to 2.50	\$2.50 to 3.00	.91
Trackmen, timbermen, roadmen, etc., per day,	1.80 2.25	2.00 2.50	\$1.03 to 1.09
Drivers, per day, ...	1.50	2.00	.48 .91

RAILROAD LABOR.

	Chicago.	Scotland.
Locomotive engineers—		
Passenger, per month, ...	\$145.00	\$36.00 to \$51.00
Freight, per month, ...	125.00	32.00 48.00
Switchmen, per month, ...	70.00	22.06 28.34
Section foremen, per month, . \$45.00 to 55.00		22.00 26.00
Section hands, per day, ...	1.10 1.25	.69 .75
Blacksmiths, per hour, ...	.27½	.10½ .15¼
Boilermakers, per day, ...	2.75	.81 1.31
Helpers, per day, ...	1.35	.58
Apprentices, per day, ...	1.00	.20
Painters, per day, ...	2.25	1.13 1.31

¹ Tariff Hearing, pp. 312 and 313.

Mr. J. S. Jeans, Secretary of the British Iron and Steel Institute, in his "Railway Problem," confirms the above figures, for he says that in Belgium, Germany, Switzerland and France the earnings of the different grades of railroad labor vary from about \$14 to \$38 per month, a great majority being less than \$20.

BLAST FURNACE LABOR.

	Chicago.	At a Cumberland seaport (England).	Newcastle (England).	Glasgow (Scotland).
Top fillers, ...	\$2.40	\$1.13	\$1.71	\$1.09
Bottom fillers, ...	2.10	1.13	1.19	0.97
Cinder loaders, ...	1.68	0.85	1.00	
Blast engineer, ...	3.25	1.09	1.27	
General labor, ...	1.68	0.77	\$0.81 to 0.97	\$0.57 to 0.69

CONVERTING MILL.

	Chicago.	Sheffield.
Ladle men, per day, ...	\$6.88	\$2.43
Pitmen, per day, ...	7.56	1.94
Runners, per day, ...	4.40	1.46
Iron cupolas, per day, ...	8.25	2.91
Iron stockers, per day, ...	4.00	1.46
Locomotive engineer, per day, ...	3.00	1.94
Common labor, per hour, ...	.15	.11

RAIL MILL.

	Chicago	Sheffield.
Heaters, per day, ...	\$6.65	\$2.91
Helpers, per day, ...	4.48	1.94
Levermen, per day, ...	5.58	1.94
Cold straighteners, per day, ...	5.10	1.94
Helpers, per day, ...	3.40	1.21
Gagger per day, ...	1.75	1.21
Drillers, per day, ...	4.38	1.46
Table engineer, per day, ...	3.25	2.43

The actual necessary expenses of the European are not so very much less than those of the American. Rent and clothing cost a little more in this country because the American is able and desires to live in better houses and rooms and wear better clothes than the European. When the year is over the American iron worker, though he has lived better, dressed better and had better food, still has from \$20 to \$100 more than the European. Perhaps this will account for the fact stated in the report of the Commissioner of Labor that out of 2490 families reported for the United States 540 own the houses in which they live, or about 1 in

Great advance in wages.

every 5 ; while of the 770 European families reported only 31 own the houses in which they live, or about 1 in 25.

There are of course countless branches of the iron and kindred industries, to a few of which a brief reference only can be made in passing. Take agricultural implements, for instance ; the value of product, number of employees and wages paid were as follows :

YEAR.	Value of Product.	No. of Employees.	Wages Paid.
1860, ...	\$17,597,960	7,100	\$ 2,334,172
1890, ...	81,271,651	42,544	21,811,761

It will be noticed that while the value of product increased nearly five-fold the amount of wages paid increased nine-fold.

*Increase of
machinery.*

Making a similar comparison with machinery the result is as follows :

YEAR.	Value of Product.	No. of Employees.	Wages Paid.
1860, ...	\$ 52,010,376	41,225	\$ 16,182,546
1890, ...	412,701,872	247,754	148,389,063

Here is a most wonderful instance of the direct and indirect influence of protection. Not only has the result been possible because of the protection afforded to machinery, but the impetus given to the textile manufactures and many other industries has created a demand for machinery such as to increase the product eight-fold and the wages paid nine-fold in thirty years.

The increase in a few other metals and kindred industries is shown as follows :

ARTICLES.	Year.	Value of Product.	Number of Employees.	Wages Paid.
Hardware, ...	1860	\$10,903,106	10,721	\$ 3,443,664
"	1890	26,726,463	19,671	10,186,442
Bolts, nuts, washers and rivets, ...	1860	2,175,535	1,504	426,090
"	1890	12,373,031	7,341	3,472,202
Saws, ...	1860	1,237,063	759	281,392
"	1890	5,572,992	2,943	1,859,694
Scales, ...	1860	1,292,560	728	280,015
"	1890	2,322,744	1,500	837,575
Springs, etc., ...	1860	2,117,377	1,009	408,160
"	1890	4,331,571	1,892	1,174,770
Wire, ...	1860	2,018,133	789	279,540
"	1890	22,012,804	7,804	4,183,802

The list might be continued for pages, but all would show the same result—a large increase of product, and in every instance a still larger increase in amount of wages paid.

It would be a most instructive and interesting task to give a brief review of each of our several hundred industries, as has been done in the case of textiles and metals, but too many pages would be required, and the reader's attention can be directed only to a few of the more important. Before leaving the metals, a glance will be taken at our brass industry. In 1833, according to Macgregor, it amounted to \$370,764. By 1860 the product had reached \$5,423,074, employing 2509 workmen, with wages amounting to \$962,688. In 1890 the value of the product was \$58,891,938, and \$12,993,894 in wages were paid to 45,141 workmen.

Other industries.

As early as 1770 it was seen that we could become efficient workers in the ceramic arts. Our country was rich in all the elements required, but England forbade any substantial development, and for lack of adequate protection it was not really established till 1870. Since then the result has been most satisfactory. The growth in thirty years can be seen from the following:

Pottery and earthenware.

YEAR.	Value of Product.	Number of Employees.	Wages Paid.
1860, ...	\$ 2,463,681	2,908	\$ 934,918
1890, ...	22,057,090	20,296	5,618,401

It was not till 1890 that this industry received the protection needed, and had the McKinley bill continued in force we should to-day be making the best earthenware and every grade of pottery that could be made. Even in 1890 there were few, if any, articles that we could not make of equal quality to that made abroad, and coincident with this result has been the same fall of price that has occurred in all American productions as soon as protection has established their manufacture safe from foreign competition. And yet, in this country, the cost of making is fully 125 per cent more, most of which is represented by wages.

The \$22,000,000 worth of product represents not only the direct labor cost of manufacture, but wages paid in mining, transportation, fuel and preparation of material. Speaking of the enhanced value given to the material by the application of labor, Mr. William Burgess, of Trenton, N. J., testified before the Ways and Means Committee as follows:

The material in the ground is worth \$25 to \$50 a ton. It is worth from \$8 to \$10 a ton more when it is ready for the potter. When it is made into a plate it brings the value up to \$80 per ton. When it goes through the hands of the decorator, it is

increased 332 per cent. In the finest grade of goods, when manufactured it is worth considerably more than its weight in gold. This shows that the labor which enters into the manufacture of goods adds vastly to its price.

TABLE SHOWING THE DIFFERENCE PAID FOR THE SAME LABOR ON POTTERY IN ENGLAND AND IN AMERICA.¹

	England.	America.	Per cent of difference.
Engineer or engine driver, per week, ...	\$6.00	\$11.00	83 $\frac{1}{3}$
Laborers, per week, ...	3.60	7.50	108 $\frac{1}{2}$
Watchman, per week, ...	5.04	9.00	78 $\frac{2}{3}$
Clay mixers, per week, ...	4.84	10.00	106 $\frac{2}{3}$
Platemakers, for 12 plates, 7-inch, ...	.02 $\frac{3}{4}$	.08	190 $\frac{1}{4}$
Saucermakers, for 12 saucers, made by women in England and men in America, ...	.01 $\frac{2}{3}$	.03 $\frac{1}{3}$	171 $\frac{2}{3}$
Cups, per dozen of 12 complete, including making, turning, and handling, made by women and girls in England and men in America, ...	.03 $\frac{1}{3}$	.10 $\frac{1}{2}$	176 $\frac{6}{13}$
Hollowware pressers, per dozen of 12 cover dishes, 8-inch, ...	.72	1.11	54 $\frac{1}{5}$
Giggermen, covered chambers, complete, per dozen, ...	.36	.65	80 $\frac{5}{9}$
Kiln hands, per day, ...	1.12	2.00	78 $\frac{4}{5}$
Dipper hands, per day, ...	1.60	2.50	56 $\frac{1}{4}$
Boys in dipping room will start at, per day, ...	.06	.33 $\frac{1}{3}$	455 $\frac{1}{3}$
An average boy will make, ...	.16	.66 $\frac{2}{3}$	316 $\frac{2}{3}$
Women in biscuit ware room, ...	.26	.75	188 $\frac{6}{13}$
Women in glost ware room, ...	.26	.75	188 $\frac{6}{13}$
Boys in glost ware room start at, ...	.06	.33 $\frac{1}{3}$	455 $\frac{1}{3}$
Glost warehousemen, per day, ...	1.00	2.00	100
Printers, average price paid, per day, ...	1.08	2.50	131 $\frac{1}{2}$
Fillers in on decorators, girls, per day, ...	.04	.15	275
Fillers in on decorators, women, per day, ...	.25	1.16	364
Gilders or gold workers, women, per day, ...	.80	1.66 $\frac{2}{3}$	108 $\frac{1}{3}$
Teamsters, per day, ...	.86	1.50	74 $\frac{4}{5}$
Foremen, per day, ...	1.20	2.50	108 $\frac{1}{3}$
Managers, per day, ...	1.60	5.00	212 $\frac{1}{3}$
Average increase of American labor over English, ...	..	..	185

PRICE OF PRINCIPAL MATERIALS ENTERING INTO THE COST OF MANUFACTURING EARTHENWARE IN ENGLAND AND AMERICA.

	England.	America.	Per cent of difference.
Ground flint, per ton, ...	\$7.00	\$8.50	21 $\frac{1}{2}$
Cornwall stone in England and feldspar in America, per ton, ...	6.72	10.40	54 $\frac{1}{2}$
Ball clay, per ton, ...	2.40	9.05	277 $\frac{1}{2}$
China clay, per ton, ...	6.52	15.00	130 $\frac{1}{10}$
Coal, per ton, ...	1.30	2.90	123 $\frac{1}{3}$
Sagger clay, ...	.84	3.05	263 $\frac{1}{2}$
Average increase of American materials over English, ...	..	..	145

¹ Tariff Hearing, 1893, p. 91.

It is hardly necessary to add that the standard of living enjoyed by American workers in this industry is far superior to that of the English laborer. Most complete comparisons have been made possible by the fact that the industry in both countries is confined for the most part to one locality.

In this connection it will be recalled how the present administration withheld the report of William Burgess, United States Consul at Tunstall. A reading of this report would go far toward converting any wavering free trader to protection. It was as fair a consular report as was ever sent to Washington, but it told the truth about the condition of pottery laborers in the Staffordshire district of England, and in Trenton, N. J., and the contrast was too favorable to the American worker to be published. It has since been published by the protection press and forms a most instructive addition to the literature of the tariff question.

The history of our glassware industry is much the same as that of pottery. It never had adequate protection till 1890 when we at once began the making of the finest qualities of wares to be found in the world, and at as reasonable prices as the articles imported. In 1831 the condition of the industry, as reported by the committee of the New York Convention, was as follows:

Glassware.

Flint glass, ...	\$1,300,000
Crown window glass, ...	150,000
Cylinder window glass, ...	851,000
Glass bottles, etc., ...	200,000
Total production, ...	\$1,501,000
Employing 1800 men with wages amounting to	\$600,000

But from 1831 to 1860 our industries had a hard struggle. The result in 1860 and 1890 is herewith shown:

YEAR.	Value of Products.	No. of Hands Employed.	Wages Paid.
1860, ...	\$ 8,755,155	9,016	\$ 2,903,832
1890, ...	41,051,004	45,987	22,118,522

Most of the glass imported comes from Belgium and other parts of the Continent of Europe. Wages in Pittsburg and other American cities average among glass workers \$18 per week, while in Belgium for the same work only \$5 is paid, and in Bohemia and other places still less.

The wages paid in the United States, compared with Belgium average per month as follows :¹

WAGES PAID IN WINDOW GLASS INDUSTRY.

	United States— 26 days' work.	Belgium— 30 days' work.
Blowers for single and double thick, ...	² \$135	³ \$55
Gatherers, single and double, ...	80	30
Flatteners, single and double, ...	135	25
Cutters, single and double, ...	100	25
Packers, single and double, ...	40	18
Batchmakers, single and double, ...	45	16
Team drivers, single and double, ...	29	15
Blacksmith, single and double, ...	60	20
Clay treaders, single and double, ...	32	15
Laborers, single and double, ...	32	15
Roller carriers, ...	36	⁴ 6

It was not till 1868 that plate glass was manufactured in the United States and it was almost twenty years before we had established the industry on a profitable basis. Had it not been for protection we would still be paying from \$2 to \$2.50 per square foot instead of the present price of forty-five cents to sixty cents according to the size. There are now twelve plants in this country with a capacity of 1,785,000 square feet per month, which have given annually employment to 6000 people with \$3,500,000 in wages, and the price now is about one-fourth of what it was before protection established the industry in this country. But both output and wages have been reduced since the passage of the Gorman-Wilson bill, and all connected with the industry have suffered.

Soda ash.

An important element in the production of glassware is soda ash. Till 1884 none was made in this country, and yet we were using 175,000 tons a year and paying \$48 per ton for it. In 1883 a duty of \$5 per ton was levied. In 1890 thirty-two establishments were engaged in manufacturing sodas and the output amounted to 333,124,375 pounds valued at \$5,432,400, and the price was only half that paid to foreigners in 1868. Nor is that all, hundreds of thousands of tons of coal and limestone and coke and salt have been used, and American labor and wages have reaped the benefit.

And so it has been with other chemicals. In 1831 the total value of all chemical products was but \$1,000,000. In 1860 it was only \$5,000,000, yet in 1890 it amounted to \$59,352,548, and if all allied products were to be included the grand total would be \$177,811,833.

¹ Tariff Hearing, 1893, p. 186.

² Average per month, 180 boxes.

³ Product, 220 boxes.

⁴ Girls employed.

On the subject of comparative wages in the glass industry, Mr. E. Ford, President of the Pittsburg Plate Glass Company, of Pittsburg, Pa., gave the following statement :¹

Comparative wages of glass workers.

COMPARATIVE STATEMENT SHOWING RATE OF WAGES PAID PER MONTH IN BELGIAN, ENGLISH AND AMERICAN PLATE GLASS WORKS FOR SIMILAR SERVICE.

OCCUPATION.	Belgian.	English.	American.	American higher than Belgian.	American higher than English.
				<i>Per cent.</i>	<i>Per cent.</i>
Potmakers, ...	\$27.00	\$30.00	\$100.00	270	233
Clay temperers, ²	14.82	8.00	32.50	119	306
Furnace brickmakers, ...	14.82	22.00	39.00	163	77
Mixers, ...	25.60	24.00	39.00	52	62
Founders or melters, ³	30.00	44.00	100.00	233	127
Gas-producer men, ...	26.50	34.00	52.00	96	53
Head teamers, ...	34.00	48.00	100.00	194	108
Teamers, ⁴	28.00	44.00	65.00	132	47
Casters, ⁴	25.68	33.00	47.00	83	42
Kiln heaters, ...	18.60	30.00	58.50	214	95
Kiln dressers, ...	20.00	32.50	75.00	275	134
Foreman grinders, ...	50.00	65.00	100.00	100	53
Grinders—					
First layers, ...	30.00	32.50	80.00	166	130
Second layers, ...	21.30	30.00	62.00	191	106
Third layers, ...	..	29.00	52.00	..	78
Fourth layers, ...	..	26.00	44.00	..	69
Mixers, ...	18.30	24.00	44.00	140	83
Finishers, ...	22.25	26.00	80.00	259	207
Sand wheelers, ...	14.82	22.00	52.00	250	136
Mud wheelers, ...	14.82	26.00	39.00	163	50
Smoothers, rubbers, ...	9.88	11.50	39.00	293	239
Examiners, ...	21.22	30.00	65.00	206	116
Emery washers, ...	19.76	35.00	80.00	304	128
Foreman polishers, ...	34.00	65.00	100.00	194	53
Polishers—					
Finishers, ...	28.00	35.00	80.00	184	128
Layers, ...	21.30	31.00	90.00	322	190
Mixers, ...	18.30	26.00	65.00	249	150
Rouge burners, ...	13.00	33.00	80.00	515	142
Cutters, ...	25.00	26.00	60.00	140	130
Packers, ...	27.00	24.00	35.00	29	45
Master mechanics, ...	50.00	76.00	100.00	100	31
Machinists, ...	22.10	33.00	65.00	194	97
Blacksmiths, ...	23.40	29.50	52.00	122	76
Carpenters, ...	32.00	29.50	60.00	87	103
Bricklayers, ...	20.80	29.50	89.00	328	201
Laborers, ...	15.00	20.00	30.00	100	50

Says Pitkin in his statistics (1834): "The business of making shoes, boots, saddlery, harness and trunks is carried on in almost every village and town throughout the United States."

The value of the boot and shoe product was then estimated at \$16,000,000. The total value of leather was about \$6,000,000. And in 1840

¹ Tariff Hearing, 1893, p. 235.

² English employ female labor.

³ European average, 2600 feet per day; American, 2000 feet.

⁴ English, 48 pots; American, 20 pots per day.

Miscellaneous industries.

the value of all manufactures from leather was \$33,134,403. In 1860 the leather product was valued at \$75,698,747 and all manufactures at about \$100,000,000. In 1890 the leather product exceeded \$175,000,000, and total manufactures from leather were valued at \$350,000,000, of which \$270,000,000 was in boots and shoes.

A comparison of forest products, lumber, saw mills, etc., is difficult to make because of the different methods employed in census enumeration. Previous to 1860 no reliable statistics were obtained though it is probable that there were as many or even more lumber and saw mills fifty years ago than now. By 1860 the product amounted to \$100,000,000, while in 1890 it amounted to \$500,000,000. The wages in 1860 were \$21,000,000 and in 1890 \$231,000,000.

The product of grist mills in 1860 was valued at \$248,580,365 and in 1890 at \$513,971,474; the wages in 1860 being \$8,721,391 and in 1890 \$27,035,742.

In 1840 the value of carriages made was \$10,897,887, in 1860 \$26,858,905, and in 1890 \$114,551,907.

The making of cars for steam and street railways amounted to but little in 1860, the value being \$4,302,613, while in 1890 it had grown to \$205,000,000.

Of furniture \$7,555,405 worth was made in 1840, \$25,632,293 worth in 1860 and \$135,500,000 in 1890.

Cutlery is an American industry due almost entirely to protection. In 1869 it amounted to but a little over \$1,000,000, while in 1890 it had increased to \$11,000,000 and over. A few years ago Sheffield was marked on all the best cutlery used in this country. To-day no better or cheaper cutlery is made in the world than in the United States. A great impetus was given to the manufacture, particularly of the best grades, by the McKinley bill.

In 1860 the value of watches and clocks made amounted to only about \$2,500,000. In 1890 the value was nearly \$30,000,000.

The value of jewelry increased from \$10,000,000 in 1860 to \$35,000,000 in 1890.

The value of tobacco manufacture has been as follows: 1810, \$1,260,378; 1840, \$5,819,568; 1860, \$30,000,000; 1890, \$211,000,000.

The value of umbrellas and canes has grown from \$3,000,000 in 1860 to \$14,000,000 in 1890.

And so on through the list of our manufactures. In almost every instance it is found that our principal industries were started or received a great impetus during the operation of the protective tariffs of 1824 and 1828. After 1833 they declined or were ruined altogether. They gained a breath of life from 1842 to 1846 and then declined, or at least stood still till 1860. The above is true when taken per capita. We were increasing in population and the demand was greater every year consequently our

industries made some progress, but as has been shown elsewhere no larger per cent of our population was employed in 1860 than in 1850. This is easily understood when a glance is taken at the manufactured goods imported from 1846 to 1860. But it is since the war, under twenty-five years of protection, that the great progress has been made.

There are several great industries of the United States that are sometimes called non-protected industries, such as certain lumber interests, carpentering, blacksmithing, mason work, plumbing, etc. The growth of these occupations has been marvelous and whether classed as protected or non-protected it can all be traced to the beneficence of a protective tariff. If the American people had not for a generation enjoyed the spendable incomes made possible by American wages, they could not have built the millions of houses and barns, the churches and school houses, the theatres and halls, and all the varied buildings that fill our cities and towns. The building of edifices makes the demand for timber, for brick and stone, and gives employment to the carpenter, the mason, the bricklayer, the plumber, the painter and hosts of others. The American carpenter may not come in direct competition with the foreign carpenter, but without the prosperity brought about by protection his work would not be required. The man who wants his horse shod must go to the American blacksmith, but without protection he might not have the horse to be shod. And so when the wily free trader tells us that the workman in "non-protected" industries gets higher wages than the laborer in protected industries, we have but to reply that many of those employed in the former would have no work or wages at all but for protection.

"Non-protected" industries.

The following will show at a glance what protection had done for some "non-protected" workers:

	Value of product.	Hands employed.	Wages paid.
Blacksmithing, 1860, ...	\$11,641,243	15,720	\$4,827,303
" 1890, ...	54,304,638	50,867	26,796,927
Carpentering, 1860, ...	12,646,392	8,898	3,868,672
" 1890, ...	281,195,162	140,021	94,524,197
Plumbing, etc., 1860, ...	2,113,701	1,345	523,050
" 1890, ...	80,905,925	42,513	28,762,611
Painting and paper hanging, 1860, ...	915,339	913	379,088
" 1890, ...	74,067,998	56,281	37,722,550

This list might be continued; such trades as millinery, dressmaking, all kinds of repairing, etc., could be included, but for want of space only one more will be given. Few will deny that prosperity is conducive to a high degree of intelligence and with widespread and general intelligence comes a demand for books, papers and periodical literature. In 1840 there were in the United States, daily papers, 138; weekly, 1141; semi-

*Progress
under the
McKinley
act.*

and tri-weekly, 125; periodicals, 227; employing about 11,523 men and with an annual value of about \$5,000,000. In 1860 the printing and publishing business amounted to only \$31,063,898, while in 1894 the result was as follows: Dailies, 1868; weeklies, 14,710; semi- and tri-weeklies, 253; monthlies, 2214; semi- and bi-monthlies, 462; quarterlies and miscellaneous periodicals, 156, and the total value of the printing and publishing business in 1890 was \$275,452,515, employing 165,227 people with \$105,083,075 in wages. For this industry and other purposes the value of paper used was as follows: 1840, \$5,641,495; 1860, \$21,216,802; 1890, \$74,067,998.

Could the amounts of all industries be carried to 1892 a still more wonderful growth could be seen, for great as was the progress during the years from 1860 to 1890, it was still greater in 1891 and 1892. Not only did established industries advance with wonderful rapidity, but numerous new industries were established, giving employment to thousands at higher wages than ever before. Reference has already been made to tin plate, to plushes and velvets, and laces, to which could be added many others, such as brass bedsteads, pearl buttons, twine making, sugar beets, curtains, certain knit and worsted and silk goods, finer grades of cutlery, pottery and glassware, fine cotton spinning chenilles, and many others. In fact, there was hardly an industry that did not attain a higher degree of perfection under the McKinley bill. Take pearl buttons for example. In 1889 there were less than a dozen factories in this country altogether employing about 200 persons part of the year, with wages averaging ten dollars per week. In 1892 there were eighty factories employing over 4000 persons, at wages averaging over eighteen dollars per week, and working full time. Over two million dollars' capital was at once invested and the production amounted to \$7,000,000 in value in a single year. That was the benefit given to capital and labor. The following figures taken from the books of a manufacturer will show what benefit the consumer derived:

	Prior to McKinley Bill. Per gross.	Since McKinley Bill. Per gross.
Sixty line buttons, ...	\$20.00	\$10.50
Fifty-five line, ...	15.00	8.50
Fifty line, ...	12.00	7.00
Forty-five line, ...	8.00	6.00
Forty line, ...	6.00	5.00
Thirty-six line, ...	4.50	3.75
Thirty line, ...	2.75	3.75
Twenty-eight line, ...	2.50	2.50
Twenty-four line, ...	1.40	1.75

The second and third qualities of buttons are about in the same proportion. The large buttons which are in great demand for girls' and women's cloaks, have fallen 60 per cent. The reason for this is that the cost of shells plays a prominent part in the manufacture of large buttons, being two-thirds of the entire cost of production, but in the case of small buttons the entire cost of manufacture is eight-tenths of the cost of

the production. The large increase of wages makes the small buttons a little higher, but this difficulty will soon be overcome, as the manufacturers are now selling direct to retailers without the intervention of middle-men.

The pearl button industry is but one of many. It would probably be impossible to cite a single trade or industry that has been injured by protection. On the contrary, there is not an industry in this country that either does not owe its establishment and existence to a protective tariff, or has not been built up and maintained through its direct or indirect influence. Till 1880 our industries have never had a decade of uninterrupted progress. At first we had war and a glut of cheap foreign importations. The tariffs of 1824 and 1828 had hardly begun to have their influence before the nullifiers forced the act of 1833. We have seen that as soon as the reductions under this act began to make themselves felt, the commercial crises of 1837 and 1839 took place, and a period of financial depression ensued. Then came the tariffs of 1846 and 1857. The war of the rebellion followed, and from 1870 to 1880 came the financial panic of 1873, and the depression caused by a return to a gold basis. From 1880 to 1890, however, was a decade of general growth, and a glance at the table on page 628 will show what protection did for our industries during those ten years. If the statistics could be carried to the end of 1892 the result would be even more astonishing. But for reasons shown in the following pages our industrial growth reached its highest point at that time and such advance cannot again be chronicled till we return to a complete system of thoroughly adequate protective duties.

In concluding the brief review of the growth of industries from 1860 to 1890, the attention of the reader is called to Table No. 27, on the following pages compiled from the Census Reports of the United States, for information as to other industries, as well as to those previously mentioned. It shows the number of establishments, hands employed, wages paid, cost of material and value of product, together with the percentage of increase in wages paid and the percentage of increase in value of product. It is a most important fact that in nearly every case the amount paid in wages has increased more than the value of product.

Under the progressive development of our industries the prices of all manufactured articles have been reduced to the consumer, as capital has increased, machinery and artisans have become more efficient, and our manufacturers are able to avail themselves of the advantages of large production, good markets and quick sales.

Prices.

The competition among our own producers has secured prices based on fair profits to the employer and good wages to the employed. That this is in great part due to the policy of protection is proven by many facts. This proposition is not answered by saying that prices have declined throughout the entire world, because protection has been the

TABLE

*Table Showing Growth of Manufactures
Compiled from Census*

Marginal Number.	INDUSTRIES.	Number of Establishments.		Number of Hands Employed.		Wages 1860.
		1860.	1890.	1860.	1890.	
1	Agricultural implements, . . .	1,982	910	14,810	42,544	\$5,080,549
2	Ammunition, ...	5	35	119	2,267	40,308
3	Baskets, ...	87	403	437	3,732	120,462
4	Billiard tables, etc., ...	25	57	302	1,157	140,556
5	Bookbinding and blank books,	269	805	4,777	13,815	1,048,930
6	Boots and shoes, ...	12,486	23,693	125,026	193,539	30,938,080
7	Boxes, paper and wood, ...	505	1,515	3,554	39,413	1,075,843
8	Brass, etc., ...	207	596	2,589	23,041	962,688
9	Brooms, brushes, etc., ...	366	1,235	3,589	10,984	888,160
10	Carpentering, ...	1,323	16,917	9,066	140,021	3,868,672
11	Carpets, ...	216	1,013	6,683	31,213	1,546,328
12	Carriages, etc., ...	3,961	9,240	27,854	87,317	10,145,087
13	Cars, etc., ...	78	882	3,702	144,514	1,447,632
14	Chemicals, ...	84	563	1,529	16,952	506,364
15	Cigars, ...	1,478	10,956	7,997	98,156	2,531,354
16	Clocks, watches and materials,	122	4,625	1,865	23,339	769,884
17	Clothing, men's, ...	4,014	18,658	114,800	243,857	19,856,426
18	Clothing, women's, factory pro- duct, ...	188	1,224	5,739	42,008	1,193,032
19	Coffins, etc., ...	215	1,562	722	9,658	305,112
20	Coke, ...	21	218	198	9,159	61,368
21	Confectionery, ...	541	2,921	2,340	27,211	688,423
22	Cooperage, ...	2,707	2,652	13,750	24,652	4,284,704
23	Cordage and twine, ...	190	150	3,478	12,798	966,216
24	Cotton goods, ...	803	905	114,955	221,585	22,485,562
25	Cutlery and edge tools, ...	217	474	4,207	9,487	1,559,855
26	Engraving materials, etc., . . .	195	817	741	5,642	336,908
27	Fertilizers, ...	47	390	308	10,158	95,016
28	Flour and meal, ...	13,868	18,470	27,682	63,481	8,721,391
29	Furniture, ...	3,594	5,973	27,106	92,504	8,909,998
30	Glass, ...	112	294	9,016	45,987	2,903,832
31	Gloves and mittens, ...	126	324	1,429	8,669	330,419
32	Gunpowder, ...	58	37	747	1,730	291,144
33	Hardware, ...	443	452	10,721	22,850	3,443,664
34	Hats and caps, ...	655	705	11,764	27,193	3,815,824
35	Hosiery, ...	197	796	9,103	61,209	1,661,972
36	Iron and steel, ...	2,269	1,708	68,997	212,229	23,561,850
37	Jewelry, ...	463	859	5,947	16,799	2,605,056
38	Leather, ...	5,234	1,926	26,600	48,101	8,310,460
39	Lumber, sawed and planed, . . .	20,165	24,681	75,605	373,085	21,970,245
40	Marble and stone work, ...	1,806	3,373	15,379	35,989	5,672,211
41	Millinery goods, ...	35	6,277	1,034	35,803	202,508
42	Musical instruments, ...	223	704	4,461	19,428	2,378,520
43	Paints, ...	45	382	563	8,737	213,864
44	Paper, ...	555	567	10,911	29,568	2,767,212
45	Printing and publishing, ...	1,666	16,566	20,159	165,227	7,588,096
46	Saddlery and harness, ...	3,621	7,931	12,285	30,326	4,150,365

No. 27.

in the United States, from 1860 to 1890.
of the United States.

Paid.	Increase Per Cent Wages Paid.	Cost of Material Used.		Value of Product.		Increase Per Cent Value of Product.	Marginal Number.
		1860.	1890.	1860.	1890.		
\$21,811,761	329	\$5,636,169	\$31,603,265	\$17,597,960	\$81,271,651	362	1
1,110,482	2,655	75,010	2,750,782	160,900	6,538,959	3,964	2
1,269,135	954	62,205	1,398,483	255,137	3,633,592	1,324	3
870,480	519	343,868	1,295,942	739,900	2,823,278	282	4
6,903,951	558	1,554,082	6,007,417	3,729,080	17,067,780	358	5
91,086,224	194	42,728,174	158,452,755	91,889,298	298,847,245	224	6
15,481,408	1,337	1,799,448	25,705,764	3,957,744	51,410,458	1,199	7
12,993,894	1,250	3,104,392	26,597,645	5,483,074	48,890,938	792	8
4,317,026	386	1,872,710	6,900,553	3,542,077	14,156,383	300	9
94,524,197	2,343	5,164,975	137,847,002	12,646,392	281,195,162	2,124	10
12,438,631	704	4,419,561	29,582,138	7,860,351	49,996,469	536	11
46,737,904	367	9,210,296	59,177,984	27,265,845	134,908,455	395	12
81,243,373	5,512	3,084,544	114,089,087	6,298,963	205,813,297	3,167	13
9,691,843	1,814	2,707,152	33,694,927	7,795,741	59,352,548	1,161	14
44,767,980	1,669	3,511,312	50,298,960	9,668,778	129,693,275	1,330	15
13,549,830	1,660	1,199,856	10,016,535	2,773,350	30,390,228	996	16
111,389,672	461	44,149,752	179,425,661	80,830,555	378,022,815	368	17
18,812,787	1,477	3,323,335	34,277,219	7,181,039	68,164,019	849	18
5,554,409	1,720	323,823	9,203,932	1,052,123	20,013,694	1,802	19
4,186,264	6,722	73,552	11,509,737	189,844	16,498,345	8,590	20
11,633,448	1,590	2,990,186	31,116,629	5,361,100	55,997,101	945	21
11,635,366	172	4,105,203	20,636,911	11,343,221	38,617,956	240	22
4,536,871	370	5,665,320	24,051,666	7,843,339	33,312,550	325	23
69,489,272	209	52,666,701	154,912,979	107,337,783	267,981,724	150	24
4,918,152	215	1,703,663	3,465,124	4,610,217	11,110,614	141	25
3,404,361	910	162,521	1,396,912	844,840	7,294,143	763	26
4,671,831	4,806	590,816	25,113,874	891,344	39,180,844	4,296	27
27,035,742	210	208,497,309	434,152,290	248,580,365	513,971,474	107	28
48,792,752	448	8,181,250	55,125,830	25,632,293	135,627,332	429	29
22,118,522	662	2,914,303	12,140,985	8,775,155	41,951,004	378	30
3,109,008	811	537,589	5,021,144	1,176,795	10,103,821	758	31
1,002,694	244	1,812,290	3,279,004	3,223,090	6,752,343	109	32
11,458,781	233	4,402,958	11,811,291	10,903,106	30,844,658	183	33
14,111,747	270	8,252,380	16,160,802	16,937,782	37,311,599	120	34
18,263,272	999	3,202,317	35,861,585	7,280,606	67,241,013	824	35
116,428,651	394	51,076,922	374,999,681	98,330,584	562,338,069	472	36
10,857,967	317	5,102,500	16,593,660	10,415,811	36,215,511	248	37
25,450,003	206	50,727,930	125,935,468	77,180,497	177,714,520	130	38
136,754,513	522	51,358,400	386,482,452	104,928,342	587,349,127	460	39
25,363,521	347	5,345,526	28,868,904	16,244,044	62,595,762	285	40
14,397,568	7,010	739,965	27,345,118	1,483,154	55,030,149	3,610	41
13,306,383	460	2,144,298	14,435,563	6,548,432	36,868,169	463	42
5,605,626	2,521	1,567,238	24,930,532	2,574,955	40,438,171	1,470	43
13,746,584	397	11,602,266	42,223,314	21,216,802	74,309,388	250	44
105,083,075	1,285	12,844,288	68,858,915	31,063,898	275,452,515	787	45
16,030,845	286	6,606,415	24,674,225	14,169,037	52,970,801	274	46

TABLE

*Table Showing Growth of Manufactures
Compiled from Census*

Marginal Number.	INDUSTRIES.	Number of Establishments.		Number of Hands Employed.		Wages
		1860.	1890.	1860.	1890.	1860.
47	Salt, ...	399	200	2,213	4,455	\$371,954
48	Saws, ...	42	95	759	2,943	281,392
49	Sewing machines, ...	74	59	2,287	9,121	1,090,956
50	Silk, ...	137	472	5,320	50,913	1,035,308
51	Soap and candles, ...	614	578	3,247	9,305	1,066,390
52	Steam heaters and heating ap- paratus, ...	9	217	234	11,779	75,540
53	Sugar, refining, ...	39	393	3,484	7,529	1,358,328
54	Tin, copper, and sheet iron ware, ...	3,488	7,002	11,220	38,442	4,056,480
55	Tobacco, chewing, smoking, snuff, etc., ...	626	687	18,859	37,771	3,571,294
56	Trunks, carpet bags and valises, Umbrellas and parasols, ...	151	395	2,092	6,785	692,752
57	Upholstery, ...	66	435	1,951	6,863	433,980
58	Wire, ...	199	152	1,427	3,479	425,452
59	Wire work, etc., ...	25	24	789	7,804	279,540
60	Wire, ...	67	569	540	7,917	146,904
61	Wooden ware, etc., ...	245	1,043	2,064	11,626	648,816
62	Woolen goods, ...	1,260	1,311	41,360	79,351	9,808,254
63	Worsted goods, ...	3	143	2,378	43,593	543,684
64	Zinc, ...	7	8	293	1,082	103,416
65	Total classified industries, ...	94,918	209,226	915,163	3,127,892	\$248,435,590
66	Total unclassified industries, ...	45,515	146,189	396,083	1,584,730	130,443,376
67	Grand total industries, ...	140,433	355,415	1,311,246	4,712,622	\$378,878,966

No. 27—(Continued).

in the United States, from 1860 to 1890.
of the United States.

Paid.	Increase Per Cent Wages Paid.	Cost of Material Used.		Value of Product.		Increase Per Cent Value of Product.	Marginal Number.
		1860.	1890.	1860.	1890.		
\$1,782,491	379	\$1,054,780	\$1,826,770	\$2,289,504	\$5,484,618	140	47
1,859,694	561	583,123	2,346,401	1,237,063	5,572,992	351	48
5,170,555	374	647,963	3,502,173	4,247,820	12,823,147	202	49
19,680,318	1,800	3,906,290	51,004,425	6,589,171	87,298,454	1,225	50
4,951,648	364	12,562,179	28,687,412	18,464,574	43,600,285	136	51
7,594,395	9,953	189,876	10,628,314	516,650	23,147,434	4,380	52
2,815,275	107	34,103,767	107,758,811	42,143,234	123,118,259	192	53
21,036,375	419	7,699,047	31,227,522	16,718,388	66,653,746	299	54
10,024,017	181	13,024,988	42,005,357	21,820,535	82,053,348	276	55
3,513,749	407	1,380,444	4,703,982	2,836,969	10,821,621	281	56
3,204,797	638	2,015,623	7,562,921	2,948,302	13,771,927	367	57
1,454,062	237	1,705,634	3,013,253	2,920,188	5,733,039	96	58
4,183,802	1,396	1,133,805	15,038,540	2,018,133	22,012,804	991	59
3,983,209	2,611	284,160	8,325,435	595,528	15,552,857	2,511	60
5,506,257	749	885,046	5,496,697	2,234,996	14,680,724	557	61
28,478,931	190	36,586,887	82,270,335	62,005,217	133,577,977	115	62
15,880,183	2,821	2,442,775	50,706,769	3,701,378	79,194,652	2,040	63
653,096	532	238,227	2,005,682	549,460	2,976,730	442	64
\$1,479,720,660	496	\$759,589,384	\$3,357,541,445	\$1,325,961,853	\$5,905,343,563	345	65
803,495,869	516	272,015,708	1,804,502,631	559,899,823	3,467,093,720	519	66
\$2,283,216,529	503	\$1,031,605,092	\$5,162,044,076	\$1,885,861,676	\$9,372,437,283	397	67

policy of all great manufacturing nations, with the exception of Great Britain. The development of manufacturing on the Continent of Europe through protective tariffs, and in the United States since 1860, has broken the monopoly of prices and markets which the British manufacturers held.

In every instance, either on the Continent of Europe or in the United States, where an industry has been established under the influence of protection, the British manufacturers have reduced prices to meet the new conditions and retain a share of the market. No one can believe that if the English manufacturers alone could supply the world with a particular article the people would not be compelled to pay such prices as the producers saw fit to demand.

The following table of the retail prices of fifty-six articles of common use was published by the *American Economist* in October, 1891, after a most careful and thorough investigation of the books of various concerns doing business in the years stated:

ARTICLES.	1857.	October, 1889.	October, 1890.	September, 1891.
Axe, ...	\$1.49	\$0.95	\$0.92	\$0.88
Binding twine, pound, ...		.14½	.14½	.11
Blankets, pair, ...	6.83½	4.23	4.09½	3.70
Blue shirting, yard, ...	.17¾	.11¼	.11	.09½
Boots, ...	4.76	3.27	3.07	2.78¾
Calico, yard, ...	.14½	.07½	.06¾	.06
Carpets, yard, ...	1.30¾	.77¾	.72¼	.66½
Cotton gloves, ...	.34¾	.24¾	.22½	.19½
Cotton hosiery, ...	.47	.25¾	.25¼	.20½
Cotton knit goods, ...	.98	.52¼	.46¼	.41¼
Cotton thread, spool, ...	.09½	.05	.04¾	.04½
Crowbar, pound, ...	.11½	.07½	.06¾	.06¼
Drawing chains, pair, ...	1.28½	.71¼	.65½	.58½
File, ...	.42	.27¼	.24	.20¼
Fork, three-tined, ...	.99¼	.56¾	.52¼	.46¼
Flannel, yard, ...	.70	.39¾	.37¾	.34¾
Fruit cans, per dozen, ...	3.00	.72	.65	.54½
Gingham, yard, ...	.22½	.10¾	.10¼	.08¾
Hand saw, ...	2.43½	1.62¼	1.53	1.39
Hoe, ...	.85	.48¼	.43	.37½
Hemp rope, pound, ...	.21	.14	.14¾	.11½
Linen, yard, ...	.83	.48½	.47	.42½
Mowing machine, ...	121.15	56.98	52.60	47.10
Nails, wire, pound, ...		.05	.04½	.03¾
Oil cloth, yard, ...	.84	.38	.35¼	.31
Overalls, ...	1.20¼	.83¾	.79¼	.70½
Pearl buttons, dozen, ...	.22¼	.11¼	.11¾	.13¾
Pins, paper, ...	.11½	.06¾	.06½	.05¾
Plow, ...	20.12½	14.37½	13.93¼	12.90
Rake, horse, ...	41.25	22.56¾	21.24½	19.40¾
Rake, hand, ...	.61½	.34	.30	.26¼

¹ The Defender, No. 51.

ARTICLES.	1857.	October, 1889.	October, 1890.	September, 1891.
Reaper and binder, ...	\$247.85	\$142.36	\$129.85	\$115.96
Rubber boots, ...	4.83½	3.10¾	3.00	2.73¾
Salt, barrel, ...	2.30	1.75	1.65	1.38
Shoes, ...	5.00	. . .	. . .	. . .
Sheeting, yard, ...	.12¾	.08	.07¾	.06¾
Shovel, ...	1.47	.97¾	.93¾	.80¾
Spade, ...	1.44½	.96¾	.95¾	.84
Starch, pound, ...	.13½	.09¾	.09¾	.09½
Straw hat, good, ...	1.75	1.28	1.25	1.10
Straw hat, common, ...	.44	.31	.28	.23¾
Sugar, pound, granulated, ...	.19¾	.09¾	.09½	.05½
Sugar, pound, brown, ...	.16¾	.08½	.08	.04½
Sugar bowl, ...	.61	.38½	.74½	.32¾
Scythe, ...	1.22	.85½	.74½	.68¾
Tin dipper, ...	.25	.12¾	.11½	.10¾
Tin milk pail, ...	.75½	.46¾	.43¾	.39¾
Tin milk pan, ...	.37¾	.18½	.17½	.15½
Ticking, yard, ...	.35½	.20	.18¾	.17
Wagon, ...	130.00	95.00	90.00	75.00
Washboard, ...	.41	.24½	.24	.22¾
Wash tub, ...	1.20	.70½	.65	.65
Wheelbarrow, ...	2.23	1.65	1.60	1.40
Wooden pails, ...	.45	.24½	.22	.20½
Woolen clothing, ...	24.00	16.75	14.50	14.25

Below is given comparative wholesale prices of various articles in the years named, compiled from the Statistical Abstract of the United States, the American Almanac and other equally reliable sources:

Decline in prices.

ARTICLES.	Year.	Price.	Year.	Price.
Leather, pound, ...	1857	\$29.00	1890	\$16.00
Standard drilling, yard, ...	1857	.09	1890	.06
Shirting, yard, ...	1857	.15	1890	.10
Muslin, yard, ...	1854	.15	1890	.08
Sixty-four and sixty-four prints, yard, ...	1857	.06	1890	.03
Anthracite coal, ton, ...	1855	4.49	1890	3.90
Bituminous coal, ton, ...	1857	4.29	1890	2.60
Illuminating oil, gallon, ...	1870	.31	1890	.07
Rules, two feet, ...	1854	2.60	1890	.47
Hand saws, dozen, ...	1854	16.00	1890	12.15
Flat files, dozen, ...	1857	2.50	1890	1.27
Auger bits, dozen, ...	1857	2.29	1890	.09
One-horse steel plow (wood beam), ...	1873	6.50	1889	2.75
Two-horse steel plow (wood beam), ...	1873	20.00	1889	12.00
One-horse iron plow (wood beam), ...	1873	5.00	1889	2.00
Two-horse iron plow (wood beam), ...	1873	13.00	1889	8.00
Two-horse side hill or reversible plow, ...	1873	18.00	1889	10.00
Potato-digger, ...	1873	2.00	1889	7.50
Old-fashioned tooth harrow, ...	1873	15.00	1889	6.50
One-horse cultivator, ...	1873	7.00	1889	3.50
Common garden iron rake (10-tooth steel), dozen, ...	1873	12.00	1889	3.75
Corn-sheller (one hole), ...	1873	11.50	1889	6.00

Prices of
hardware.

The following table shows the decline in prices of hardware from 1880 to 1890:

ARTICLES.	1880. Price.	1890. Price.	ARTICLES.	1880. Price.	1890. Price.
Barb wire, per lb., . .	\$0.10	\$0.04	Swedes iron, per lb.,	\$0.12½	\$0.06
Fence staples, per lb.,	.10	.05	Cartridges, per box, .	.35	.15
Iron nails, per keg, .	6.00	2.80	Wire cloth, per ft., .	.06	.03
Steel nails, per keg, .			Cast washers, per lb.,	.05	.03
Tin cup, ...	.10	.05	Post-angers,	2.25	1.25
Zinc, per lb., ...	.15	.10	Slop-pail, ...	1.00	.65
Wash boiler, ...	2.25	1.75	Plain wire, per lb., .	.06½	.03½
Stove pipe joint, . . .	.25	.20	Pipe-collars, ...	.10	.05
Horseshoes, per keg, .	8.00	4.50	Door-knobs, ...	.20	.10
Tool steel, per lb., . .	.20	.12½	Cast butts with screws,	.20	.12½
Plow steel, per lb., . .	.13½	.08½	Chain, per lb., ...	.22	.12
Cook stove, ...	33.00	24.00	File, ...	.65	.25
Mattock and handle, . .	1.40	.85	Tin, per sheet, ...	.35	.20
Wrench, ...	.75	.40	Door-latches, ...	.25	.10
Blossburg coal, per			Basket, ...	.85	.45
cwt., ...	.80	.45	Roof saddle, ...	1.00	.65
Bull ring, ...	.40	.25	Door-key, ...	.10	.05
Putty, per lb., ...	.10	.05	Covered pail, ...	.20	.10
Window glass reduced			Wheelbarrow, ...	2.25	1.65
25 per cent.			Oil-can, ...	.85	.40
Shot, per lb., ...	.12½	.08	Plane, ...	1.00	.60
Iron, per lb., ...	.05	.03	Pie-plates, per doz., .	.70	.35
Four-tined fork, ...	.75	.50	Mortise lock, ...	.90	.35
Seat-spring, pair, . . .	1.75	1.00	Cistern pump, ...	4.25	2.25
Lantern, ...	1.50	.75	Universal wringer, . . .	7.00	3.00
Common clevis, ...	.20	.10	Pocket and table cut-		
Milk cans, per doz., . .	2.25	1.00	lery reduced one-		
Buggy springs, per lb.,	.20	.10	half.		

Decline in
prices of
other
articles.

The whole list of consumable commodities might be taken up and a similar result shown. In 1872 we were paying \$2 a yard for body Brussels carpets, which in 1890 were sold for 93 cents. The price of tapestry carpets has been reduced from \$1.46 in 1872 to 65 cents in 1890. And ingrain carpets from \$1.20 a yard to 45 cents in the same years. In 1864 a crate of assorted earthenware which sold for \$210.75 was reduced to \$57.85 in 1882 and \$46.30 in 1890. A crate of white earthenware which sold for \$95.30 in 1852 could be bought for less than \$40 in 1890. The price of laces and embroideries has been reduced 33 per cent. Silks and velvets from 25 to 33 per cent, and a general reduction in every article constituting a stock of dry goods in any store in the United States from 23 to 33 per cent from 1880 to 1890. It is difficult to make comparisons in the price of clothing because of so many changes in style and variety, but since 1880 there has been a general reduction in all grades of ready-made clothing of from 30 to 50 per cent. There has been a decline in the price of boots and shoes during the same time of over 30 per cent. A similar result is found in watches, clocks and jewelry, while a most marked reduction has taken place in all articles of household furniture. The following decline in the price of dry goods from 1880 to 1890 has taken place:

ARTICLES.	1880. Price.	1890. Price.
Unbleached muslin, per yard, ...	\$0.08	\$0.06
Calico, per yard, ...	.07	.05
Gingham, per yard, ...	.12½	.10
Worsted dress goods, per yard, ...	.15	.12½
“ “ “ “ “	.35	.25
“ “ “ “ “	.65	.50
“ “ “ “ “	1.00	.75

The decline in prices in the United States has occurred under the highest and most vigorous protection the people ever enjoyed. Protection then does not prevent competition among our producers from adjusting prices to an equitable basis fixed and regulated by the cost of production in our own factories. The larger our production becomes the more our industries are diversified, the more they become extended to the States—North, South, East and West, the more difficult it becomes for combinations and trusts to fix prices and create monopolies. The foregoing facts show that trusts and combinations have not stood in the way of a reduction of prices in these commodities, and that the policy of protection has not prevented our consumers from deriving the utmost benefit from that cheapening of commodities arising from inventions and improvements.

The following table shows the decline in the prices of farm products and of articles that farmers buy :

*Decline in
price of
farm
products,
etc.*

ARTICLES THAT FARMERS BUY.			ARTICLES THAT THE FARMERS SELL.		
	1873.	1891.		1873.	1891.
Refined sugar, pound, ...	\$ 0.116	\$ 0.057	Cotton, pound, ...	\$0.188	\$0.18
Cut nails, pound, ...	.046	0.186	Corn, bushel, ...	.61	.57
Bar iron, ton, ...	86.00	42.00	Wheat, bushel, ...	1.31	.93
Steel rails, ton, ...	120.50	29.92	Bacon and ham, pound, ...	.088	.76
Rio coffee, pound, ...	.18	.16	Lard, pound, ...	.132	.069
Tea, pound, ...	.95	.25	Pork, pound, ...	.078	.059
Sheeting, yard, ...	.1331	.0683	Beef, pound, ...	.077	.056
Drilling, yard, ...	.1413	.0641	Butter, pound, ...	.211	.145
Shirting, yard, ...	.1941	.1064	Cheese, pound, ...	.131	.09
Standard prints, yard, ...	.1137	.06	Tobacco, pound, ...	.107	.087
Print cloth, yard, ...	.0669	.0295			
Quinine, ounce, ...	2.65	.30			
Goblets, dozen, ...	.85	.25			
Window glass, 10x14	3.40	1.70			
Under shirts, each, ...	1.41	.62			
Ginghams, yard, ...	.13	.06			
Carpets, 2-ply ingrain, yard, ...	1.14	.50			
Black pepper, pound, ...	.19	.09			
Molasses, gallon, ...	.69	.32			
Freight rate, per ton, per mile, ...	2.00	.92			

Average reduction in 10 farm products, 21.1 per cent.

Average reduction in 19 other products, 55.4 per cent.

*Relative
value of
farm
products
and other
articles of
consump-
tion.*

The writer has made the following table showing what quantities of commodities certain amounts of agricultural products would buy in 1873 and in 1891.

TABLE No. 28.

Table Showing Relative Values of Principal Farm Products and Articles of Consumption in 1873 and 1891:

	Gallons of Oil.		Pounds of Sugar.		Pounds of Nails.		Yards of Sheet- ing.	
	1873.	1891.	1873.	1891.	1873.	1891.	1873.	1891.
1000 pounds cotton would buy	766	1,428	1,620	1,754	3,832	5,322	1,412	1,464
1000 pounds beef would buy	281	800	555	982	1,282	3,010	490	849
1000 pounds pork would buy	289	842	571	1,035	1,319	3,172	504	863
1000 pounds bacon and hams would buy	345	1,085	682	1,157	1,554	4,086	602	1,111
1000 pounds butter would buy	779	2,071	1,539	2,543	3,553	7,795	1,359	2,123
1000 pounds tobacco would buy	413	1,243	833	1,526	1,886	4,677	721	1,273
100 bushels corn would buy	279	820	551	1,007	1,273	3,086	487	840
100 bushels wheat would buy	590	1,328	1,176	1,631	2,509	5,000	1,030	1,342
Total above, ...	3,742	9,617	7,527	11,635	17,208	36,148	6,605	9,865

	Yards of Drill- ing.		Yards of Shirt- ing.		Yards of Stand- ard Print.		Yards of Print Cloth.	
	1873.	1891.	1873.	1891.	1873.	1891.	1873.	1891.
1000 pounds cotton would buy	1,330	1,560	970	940	1,653	1,666	2,810	3,389
1000 pounds beef would buy	462	873	338	526	583	933	888	1,898
1000 pounds pork would buy	475	920	348	554	600	983	914	2,000
1000 pounds bacon and hams would buy	568	1,185	415	714	716	1,266	1,091	2,576
1000 pounds butter would buy	1,281	2,262	938	1,362	1,616	2,416	2,461	4,915
1000 pounds tobacco would buy	680	1,357	498	817	858	1,450	1,307	2,949
100 bushels corn would buy	458	896	336	539	579	956	881	1,954
100 bushels wheat would buy	964	1,453	611	853	1,225	1,550	1,840	2,784
Total, ...	6,218	10,506	4,454	6,305	7,830	11,220	12,192	22,465

*Free trade
fosters
monopolies.*

It is certain that this result could not have been reached through free trade. The main purpose of the policy of free trade is to develop manufacturing in certain localities or countries, thus creating monopolies

and rendering the rest of the world dependent on them. The great purpose of Richard Cobden and the free traders of England in their attempts to secure the establishment of universal free trade, was to prevent competing manufactories from rising in the United States and Continental Europe, thus leaving to themselves a monopoly of manufacturing. Again, a monopoly once acquired, such as the British manufacturers possessed in 1846 could more easily be maintained under free trade. In fact, it was only by the removal of tariff barriers in other countries that it would become possible for British manufacturers to destroy, through ruinous competition, the rising industries of other countries, and then step in and control their markets. That this has been the policy pursued by British manufacturers since the battle of Waterloo is fully established. It is a mistaken notion that competition is waged for the benefit of consumers. Mr. David Syme, a very able Englishman, who was thoroughly conversant with their methods, became an ardent protectionist when he removed to Australia.

He said:

It is quite a mistake to suppose that competition invariably tends to reduce prices. It is only when sellers compete that prices are lowered, for when buyers compete they are invariably raised. The object of the producer in engaging in any branch of industry being profit, he will naturally take all the means at his command to increase that profit to the utmost. But a man will be able to make a larger profit if he has the whole market to himself than if he shared it with another, and, as a rule, the greater the amount of competition in a given market, the smaller will be the amount of profit to be divided among the competitors. It will thus become the object of every competitor to reduce the number of his rivals. The tendency of competition will, therefore, be in the direction of a monopoly. A monopoly is said to exist when one man, or several acting together, holds entire possession of any commodity or controls any market. Competition exists when possession is disputed. If competitors, however, act exclusively with a view to their own interests, as we are told they must, it will be their main object to reduce competition to a minimum, or, in other words, to create a monopoly. Thus the principle from which the deductionist started, namely, the sufficiency of self-interest, instead of tending to competition, leads back ultimately to restriction in its worst possible form.

Free competition does not always lower prices.

The profits of producers are largest when consumption is in excess of production, and the prospects of sharing in these induces competition. When production overtakes consumption, profits are reduced, and no more competitors enter the field.

When production is in excess of consumption, and competition goes on as before, profits may cease altogether, and then begins the struggle for existence among competitors. Each competitor will now endeavor to obtain the customers of the others, by fair means or foul, and the inevitable result will be that strength and cunning, as in the animal world, will prevail, while the weak and honest trader will go to the wall. In order to render competition successful, in other words, to establish a monopoly, one of two things, or both are requisite on the part of a competitor. The first is the command of a large capital; the second is the absence of all moral principle.¹

¹ Industrial Science, p. 58.

The history of nations shows that it has been wholly through the policy of protection that manufacturing has been extended in the United States and Continental countries against British competition, thus bringing into the field producers who are offering their wares for sale in competition with each other at fair prices. Mr. Cobden well understood the effect of such wide extension of production. He knew that it would result in destroying that monopoly which British manufacturers then held and were then seeking to perpetuate. Speaking of the unfair methods resorted to by British manufacturers in order to destroy rival industries in other countries, Mr. Syme says:

The manner in which English capital is used to maintain England's manufacturing supremacy is well understood abroad. In any quarter of the globe where a competitor shows himself who is likely to interfere with her monopoly, immediately the capital of her manufacturers is massed in that particular quarter, and goods are exported in large quantities, and sold at such prices, that outside competition is effectually crushed out.¹

*Protection
breaks
down mo-
nopolies.*

Protection has not only stood as a shield guarding our industries from destruction through such means, but it has prevented British manufacturers from monopolizing our markets and compelling us to pay exorbitant prices for her wares. Instead of building up monopolies, protection has been the most powerful agency resorted to for preventing their existence.

We need not go back of the results of the McKinley bill to find proof of this proposition, although every industry which we have established furnishes an example of this fact. It has already been pointed out that as soon as tin plate factories were established under the protection accorded by the McKinley bill, the Welsh tin plate manufacturers reduced their wages, in order to make goods cheaper for our market. Attention is again called to a statement already quoted from the speech of Mr. Taylor, a Welsh manufacturer, in response to a toast at a banquet given by the manufacturers in England. He said: "There was no doubt that English manufacturers would have to reduce the cost of production if they were to maintain their hold of the American trade, and he knew of no other source from which relief could be got than the rate of wages."² It will be remembered that Mr. Gladstone also recognized this effect of protective legislation in foreign countries. "But still it has necessarily had the effect of diminishing profits and wages in this country."³ The practice of this policy by British manufacturers has prevented an increase in wages in the United States. By reducing wages and profits in England they have still been able to invade our markets with their cheap wares.

With full knowledge of these facts free trade economists taunt us with the statement that an increase in wages does not immediately follow

¹ Industrial Science, p. 68. ² Ante, p. 321. ³ Ante, p. 322.

increased duties. They say that if the protectionists' theory is true that increased duties enable the American manufacturer to pay higher wages, he ought to raise the wages of his employees as soon as he has induced Congress to increase the tariff. While this would be possible if the duty were placed high enough to exclude the foreign rival, it is made impossible by the competition which is continued through reduced wages and profits in Great Britain.

It is a noteworthy fact that while the process of cheapening the price of commodities has been going on, the wages of our artisans have steadily increased, thus enabling them to derive a double advantage from the policy of protection: (1) an increased income; (2) an enlarged purchasing power of the day's earnings. These benefits are independent of the more steady and increased employment which has been afforded through our constantly increased production, and the expansion of our industries.

*Wages
under a
protective
tariff.*

Turning to the census of 1860, it is found that in the last year of the low tariff period the number of employees in the manufacturing establishments of the United States was 1,311,246, with wages amounting to \$378,878,966, or \$288 each. In 1890 the number of laborers in the manufacturing establishments of our country was 4,712,622, earning \$2,283,216,529 in wages, or \$484 each, an increase of 68 per cent. This it will be conceded is a very low estimate of the increased earnings from 1860 to 1890. There is no doubt that wages in textiles and in many other branches of industry have doubled under protection, since 1860.

In examining weekly wages in the United States since 1830 it is found that very slight if any increase occurred during the low tariff period from 1835 to 1840, while it is known that a very material advance took place from 1824 to 1832, and from 1842 to 1846, under the stimulus which was given to industries by the protective legislation of those years. From 1846 to 1860 wages in those industries which were affected by competing imports from Great Britain practically stood still, although the causes which contributed to an improvement in certain branches of employment, such as railroad building, brought about a small increase in employments so affected.

An investigation was made by Mr. Aldrich and the Senate Committee on Finance, published in March, 1892, known as the report on "Wholesale Prices, Wages and Transportation," into the changes which occurred in wages in certain industries from 1840 to 1891. It would be unfair to make comparisons between 1840 and 1860, because 1840 was a year of depression following the calamities which had befallen the country in 1837; while in 1860 the crops had been large and some causes contributed to a slight improvement during this year as compared with previous years of the low tariff period. Colonel Carroll D. Wright, of the Bureau of Statistics, who participated in this investigation, in an article published

*Increase of
wages from
1840 to 1891.*

in the "Forum," of October, 1893, mentions some of the changes which occurred, as disclosed by the report referred to.

The following table shows daily wages in several occupations in 1840, 1860 and 1891:

	1840.	1860.	1891.
Occupations (New York City), ...	\$0.62.5	\$0.84	\$2.00
Compositors, ...	1.50	2.00	3.00
Carpenters (Connecticut), ...	1.25 to 1.60	1.25 to 1.75	3.00 to 3.25
Carpenters (New York), ...	1.50	2.00	3.50
Painters (New York), ...	1.50	2.00	3.50
Wheelwrights, ...	1.25	1.25	2.50
Cotton weavers (women, in Massachu-			
setts), ...	.62	.54.5	1.05
Frame spinners (women), ...	.62	.54.5	Above 1.05
Wool spinners (both jack and mule), .	Below 1.00	1.05	1.35 to 1.75
Puddlers (Duncannon, Pa.), ...	2.30	2.01	2.91
Drillers (New Jersey), ...	.75	1.00	1.50
Blasters (New Jersey), ...	.75	1.00	1.50
Unskilled laborers (mining, Cornwall,			
Pa.), ...	.50	.75	1.55

TEACHERS' WAGES, PER ANNUM.

	1840.	1860.	1891.
Principal (Boys' High Schools, Baltimore, Md.), .	\$1,500.00	\$1,500.00	\$2,400.00
Principals (Primary schools, boys and girls, Balti-			
more, Md.), ...	250.00	300.00	696 00

WAGES OF TEACHERS PER MONTH IN REMOTE DISTRICTS OF BARNSTABLE COUNTY, MASSACHUSETTS.

	1840.	1860.	1890.
Men, ...	\$20.28	\$40.73	\$68.18
Women, ...	6.14	19.12	34.88

Colonel Wright states in his article that "the years 1840 and 1891 represent the opposite extreme limits of general conditions. Prices were low in 1840; labor was low."

The returns from twenty-two industries and from nearly one hundred distinct establishments showed an increase in wages from 1840 to 1860 of 17.5 per cent, while the average increase of wages in the same number of establishments from 1860 to 1891 was 68.6 per cent.

It is fair to assume from what Colonel Wright says, and from the fact that 1840 was a year of extremely low wages and depression, that had 1846 been taken as the basis of comparison with 1860, it would have been found that no increase had taken place during the low tariff period

Only a slight increase during the low tariff period.

following 1846 and closing with 1860. It appears from the figures given by Colonel Wright that there was actual decline in the wages of cotton weavers and frame spinners between 1840 and 1860. These industries, it will be noted, were directly affected by the increased imports of competing commodities after the adoption of the Walker tariff of 1846. The improvement which is shown in the building trades between 1840 and 1860 cannot be attributed to any general advance which might be affected by the tariff, but to general conditions resulting from other causes. It has been shown that these industries enjoy a degree of natural protection and that they are not directly affected by the depressing influences of competing imports. But we are supplied with definite information upon the changes which have occurred in the wages of those employed in textile industries, by the excessive competition to which they were subjected during the low tariff period between 1846 and 1860, and the higher wages which were made possible under protection since 1860.

The Hon. Henry W. Blair, of New Hampshire, in a speech delivered in the House of Representatives January 16-25, 1894, presented a letter from John P. Bresiel, of Laconia, N. H., dated January 2, 1894, showing the wages made in the Granite Hosiery Mills of Laconia, N. H., from 1846 to 1860 and from 1860 to 1892, giving the names of the operatives and the number of days worked and wages earned by each operative, taken from the books of the company as follows:

In June, 1892, in our mills the total pay roll was \$6698.79. The total number of hours worked (not including bookkeeper and clerk) was 4265. The average wages per day was \$1.57, not including the salaries of bookkeeper and clerk. Briefly stated, these pay rolls show the following wage rates for the different periods:

1848, Walker tariff, 50.7 cents per day of 14 hours, 3.62 cents per hour. 1853, Walker tariff, 57.4 cents per day of 14 hours, 4.1 cents per hour. 1861, Morrill tariff, about 50 cents per day of 11 hours, 4 6-11 cents per hour. 1892, McKinley tariff, \$1.57 per day of 10 hours, 15.7 cents per hour.

For 1893 the wage rate showed a slight increase over 1892, until the panic stopped business. Since October our mills have been idle, and nearly all the mills in this city. Such as have attempted to run have reduced wages from 10 per cent to 25 per cent, and no mill has employed half its working force at the reduced rates of pay.

Upon the question of increased wages between 1860 and 1880, we have the statement of Mr. Edward Atkinson, a free trade economist, from an article in the "Forum" of July, 1888, as follows:

*Wages
between
1860 and
1890.*

By analyzing the rates of wages as well as their purchasing power, it is proved that since 1860, subject to temporary reduction in the purchasing power of wages during the period of war and paper money, the constant tendency of wages or earnings has been to rise both in rate and in purchasing power. By selecting the rates of wages given in Vol. XX of the Census of the United States, compiled by Mr. Joseph D. Weeks, and assorting these rates by classes, the data being taken from over 100 establishments, I find that there is an increasing disparity among those who constitute the working classes in the strictest sense. Given a standard of the average consumption of food, fuel and materials for clothing, rent being omitted

because it varies so much in different parts of the country, it is apparent to any one who will devote sufficient time to a thorough investigation of the whole subject, that since 1865 the wages of foremen, overseers, boss-blacksmiths, specially skilled cabinet-makers, and the like, have advanced 108 per cent; average mechanics, engineers, carpenters, machinists, and the like, 90 per cent; factory operatives and all persons engaged in the ordinary arts of making stoves, boots, hats, cars, wagons and the like, 78 per cent; and common laborers only 66 per cent.

The facts presented under this head are so universally concurred in that it is not necessary to multiply authorities to show that under the low tariff from 1846 to 1860, when British manufacturers were monopolizing our markets, we passed through a period of high prices for all manufactured goods, which we were compelled to purchase, low prices for farm produce and low wages in all branches of industry; while since 1860 the price of manufactured goods has steadily declined, and wages have advanced more than ever before during an equal period. And when protection was assailed by the Democratic party, upon the election of President Cleveland, in 1892, the American artisans and laborers were receiving the highest wages, both in money and in purchasing power, that have ever been paid to wage-earners since the beginning of time.

*Effects of
protection.*

In conclusion it may be stated that the policy of protection in the United States has brought about the following results:

First. When a duty is imposed upon a competing commodity sufficient to afford adequate protection to American capital and labor, capitalists invest money in the building of factories for its production.

Second. Labor is employed at higher wages than are paid in any other country.

Third. Domestic competition destroys foreign monopoly and brings down the price to a point which affords a fair profit to our capitalists and good wages to our labor.

These three things have occurred in every instance where protective duties have been imposed since the first tariff laws were adopted in 1789. In all cases where duties have been reduced to a point which would not compensate for the difference in the cost of production between the United States and foreign countries, based on the American rate of wages, our manufacturers have been compelled to reduce wages to meet the new conditions, and in many instances have been driven out of business and their factories closed. When competing imports have been encouraged by low duties, the progress of our industries has been arrested, and our laborers deprived of employment, while it has resulted in an improved condition, increased employment, and benefits to foreign producers. Our experience has shown that only through the maintenance of adequate protection can the benefits stated be enjoyed and the disastrous results be avoided.

In preceding chapters, in connection with the treatment of various industries, tables showing the rate of wages paid in the United States, compared with those paid in Great Britain and other countries, have been

TABLE NO. 29.

Table Showing the Average Weekly Wages Paid in the General Trades in Europe with those Paid in Similar Trades in the United States, 1890. Compiled from Report of the Royal Commission of Great Britain, and Consular Report of the Department of State of the United States.

Number.	OCCUPATIONS.	United States.	Great Britain.	Germany.	France.	Belgium.	Austria.	Holland.	Switzerland.	Russia.	Per cent of wages paid in the United States over Great Britain.
1	Bricklayers, ...	\$22.00	\$7.80	\$4.21	\$5.74	\$4.56	\$3.55	\$4.80	\$5.21	\$4.32	182
2	Bricklayers' tenders, .	10.75	4.96	2.92	3.13	3.22	2.08	3.60	2.99	2.45	117
3	Masons, ...	21.00	7.74	4.07	5.33	5.22	3.73	4.80	5.27	6.72	171
4	Masons' tenders, . . .	10.25	4.50	3.15	3.23	3.09	1.92	4.00	3.50	2.88	128
5	Plasterers, ...	22.50	7.74	4.43	6.34	4.66	4.01	4.00	5.03	4.61	191
6	Plasterers' tenders, .	12.50	5.06	2.91	3.23	3.02	1.82	4.00	3.40	2.55	147
7	Slaters, ...	17.50	7.33	4.20	5.65	4.98	4.00	4.00	4.35	4.20	139
8	Plumbers, ...	19.25	7.80	4.26	6.10	5.46	4.11	4.80	5.18	4.32	147
9	Carpenters, ...	15.25	7.68	4.11	6.20	4.07	5.10	4.80	4.74	3.30	99
10	Painters, ...	12.00	7.43	4.82							62
11	Bakers, ...	9.50	6.50			4.28	4.63	4.80	3.88	2.92	46
12	Blacksmiths, ...	14.00	*7.37	4.00	5.81	5.38	3.18	4.80	5.20	3.72	90
13	Blacksmiths' strikers, .	9.75	*5.30	2.94	4.72	3.29	3.15	3.60	4.43	2.72	84
14	Bookbinders, ...	15.25	6.92	4.20	5.17	5.35	4.10	4.00	4.68	3.42	120
15	Brickmakers, ...	13.70	6.27	3.98	5.32	4.25	6.20	3.20	4.43	2.80	119
16	Butchers, ...	12.25	5.76	3.32		4.31	3.50	3.60	4.66	2.91	113
17	Brass founders, ...	12.50	*7.47	4.38	6.54	6.02	3.60	4.00	4.92	4.20	67
18	Cabinet-makers, ...	13.50	7.15	4.25	6.14	5.66	4.40	4.80	5.59	5.76	89
19	Confectioners, ...	12.00	*6.84	3.43	4.85	5.03		4.40	5.84	3.36	75
20	Cigar-makers, ...	14.57	6.07	3.63	4.69	6.28	3.00	4.00	3.30	3.80	140
21	Coopers, ...	12.00	7.29	3.97	5.58	5.17	3.64	4.80	4.78	3.66	65
22	Cutlers, ...	10.00	7.20	3.90	5.16	5.28	3.00		4.93	3.91	39
23	Drivers, draymen and teamsters, ...	11.00	5.04	2.96	5.57	3.77	2.20	4.40		3.60	118
24	Drivers, cab and carriage, ...	9.00	4.20	3.21	4.82	3.92	4.00	2.50		3.60	114
25	Drivers, street railway, .	12.25	5.04	3.44	4.47	4.09	3.68	4.40	3.84	2.95	143
26	Engravers, ...	18.00	*8.38	5.12	7.35	6.42	4.77	8.00	6.35	4.66	115
27	Hatters, ...	13.00	6.00	4.36	5.50	4.60	3.85	4.00	3.84	5.10	117
28	Horseshoers, ...	15.50	6.32	3.61	5.89	5.62	3.48	4.40	4.65	3.75	145
29	Laborers, porters, etc., .	9.75	4.08	3.11	3.93	3.77	3.00	3.20	3.61	2.88	139
30	Lithographers, ...	12.00	7.68	5.59	7.07	5.86	5.93	4.80	5.51	4.88	56
31	Millwrights, ...	14.00	6.97	4.18	6.74	5.00	3.10	4.80	6.30	3.30	100
32	Printers, ...	15.50	*7.17		6.64	5.94	4.85	6.00	5.93	5.76	116
33	Saddle and Harness makers, ...	11.50	*6.63	3.69	5.70	5.51	3.80		5.20	5.10	73
34	Sailmakers, ...	13.50	8.16	2.85	6.04	4.56	3.80	4.80		2.59	65
35	Shoemakers, ...	11.00	6.00	2.95	2.90			4.00			83
36	Stevedores, ...	15.00	*8.44	5.70	6.72	4.36	7.40			2.88	78
37	Tinsmiths, ...	11.86	*6.56	3.55	5.46	4.40	3.70	4.00	4.40	2.96	81
38	Machinists, ...	18.00	8.50	4.60							112
39	Upholsterers, ...	18.00	6.72	4.52							168

* 1884.

given. For a comparison of wages paid in general trades in the United States, Great Britain and Continental countries attention is called to Table No. 29 on page 719. The wages given for Great Britain were compiled by the writer from the Report of the Royal Commission on Labor, as disclosed by its investigation in 1891 and 1892. The wages for Continental countries were taken from the United States Consular Investigation, made in 1884. Those for the United States are the average wages paid in New York and Chicago in 1884, as reported by the United States Consular Investigation. It should be noted that no allowance is made for the advance which has taken place in the wages paid in Continental countries since 1884. Table No. 30 exhibits wages paid in various occupations in Great Britain in 1891 and 1892, compiled from the Report of the Royal Commission on Labor.

TABLE NO. 30.

Table Showing the Average Weekly Wages Paid in Great Britain to the Following Trades and Occupations, as Stated Below. Compiled from Report of the Royal Commission on Labor of Great Britain.

OCCUPATIONS.	Great Britain.	OCCUPATIONS.	Great Britain.
Coachmakers, ...	\$6.35	Hand nail makers, ...	\$4.42
Compositors, job work, ...	7.44	Lock and key smiths, ...	4.32
" morning papers, ...	10.14	Spike nail makers, ...	3.16
" evening "	8.28	Pocket knife cutlers, ...	4.80
" weekly "	7.50	Cutlers, full time average:	
Gas stokers, ...	7.58	Bone, half and scale cutlers, }	
" firemen, ...	7.66	Scissors grinders, }	
Chemical workers, ...	7.80	File grinders, }	7.20
Copper "	7.50	Silversmiths, }	
Salt "	6.48	Silver buffers, }	
Glass bottle makers, ...	10.08	Edge tool grinders, }	
Seed crushers, ...	6.92	Street car employes:	
Sawyers, ...	7.88	Carmen, ...	5.40
Ship assistants, ...	5.74	Cartmen, ...	5.04
Mat makers, ...	4.25	Cab drivers, ...	4.20
Wages paid by cities:		Horsemen, ...	5.76
Policemen, ...	6.72	Railway service:	
Pavement and sewers, ...	5.50	Conductors, ...	5.28
Water works, ...	6.04	Checkers, ...	6.24
Wages paid by government:		Clerks, ...	6.00
Dockyards, ...	6.46	Engine drivers, ...	8.64
Royal engineers, ...	4.96	" men, ...	8.28
Ordnance store department, ...	5.12	Foremen, ...	6.24
Iron workers:		Firemen, ...	5.16
Iron molders (Scotland), ...	8.64	Guards, ...	6.36
" " (Aberdeen), ...	8.10	Porters, ...	4.08
Blast furnacemen (Cleveland), ...	7.92	Plate layers, ...	4.32
Blast furnacemen (Cumberland and Lancashire), ...	7.92	Passenger porters, ...	3.60
Iron founders (United Kingdom), ...	7.68	Receivers, ...	6.24
Nut and bolt workers, ...	7.68	Shunters, ...	4.80
Blast furnacemen (Ayershire), ...	7.28	Signalmen, ...	5.22
Chair makers, ...	6.20	Waymen, ...	4.08
		Yardmen, ...	5.76

CHAPTER VI.

TRIUMPH OF DEMOCRACY AND FREE TRADE.

The recent revival of the tariff question as a political issue, the endorsement of the principles of free trade by the Democratic party, the defeat of Benjamin Harrison in 1892, the repeal of the McKinley bill, and the passage of the Gorinan-Wilson bill, as the first steps toward making the system of free imports the permanent policy of our nation, are events of the gravest character. To examine fully the causes which led to this industrial revolution, and the interests thereby affected, would require more space than can be devoted to the subject in this chapter. The most that can be said in favor of the leaders of the Democratic party is, that they have plunged their followers and the country into the calamities which have followed their work, through ignorance of economic principles, and that without appreciating the consequence of their acts many of them took a leap in the dark to secure a temporary party advantage. Yet when we view the record of the Democratic party upon public questions during the past fifty years, little else could have been expected. It had been thirty years since the nation abandoned a low tariff and returned to protection. Only the older citizens had lived in 1857 and witnessed the disaster of the low tariff at that time. Since 1860 millions of immigrants have come to our shores. A new generation of voters now controls parties and the destiny of the nation. To the present generation, at least, the tariff question was new, intricate and difficult to solve. The free trade agitators shrewdly concealed their ultimate purpose, presented false issues and wrote more to mislead, deceive and arouse the prejudices of the people against protection and those who employ labor, than to throw light on the merits of the controversy and to direct attention to a consideration of the real question involved. It is openly charged by protectionists that the movement to overthrow protection was started by representatives of the manufacturers of Great Britain. The loss of foreign markets, the intense rivalry to which British manufacturers were subjected at home and abroad, and the necessity of finding new markets for their wares, have been shown in preceding chapters. The increase of protective duties by all the leading commercial nations, and the consequent rise of rival industries presented a condition which menaced their very existence. This situation prompted another effort to overthrow protection in the United States, and open a market more desirable and profitable than those of all the rest of the world combined. In 1866 the Cobden

*Recent
tariff
legislation.*

*British
propa-
gandism.*

Club had been organized for the purpose of extending free trade principles in other countries, and in 1880 the United States was selected as the definite field of its operations.

On July 12, 1880, the London Times in giving an account of a meeting of this club said:

How free trade will come some day to the United States must be left to the Cobden Club and to its twelve Cabinet Ministers in their unofficial capacity to decide. . . . It is to the New World that the club is chiefly looking as the most likely sphere for its vigorous foreign policy. It has done what it can for Europe and is now turning its eyes westward and bracing itself for the struggle which is to come. So it will go on until reason has destroyed protection in the great stronghold (United States) in which it has intrenched itself. . . . We intend to break down the protecting system in the United States and to substitute the British system. That done, our victory is complete and final.

The Cobden Club and its American off-shoot.

In 1879, Mr. Thomas Bayley Potter, the secretary of the club, and also a member of parliament, visited the United States for the purpose of looking over the field and effecting an organization in this country. He visited the various cities and industrial centres of the country and established agencies in New York and Chicago. Mr. Poultney Bigelow was made the agent in New York and Mr. Alfred Bishop Mason the agent of the club in Chicago. The New York Free Trade Club had already been organized. On July 26, 1888, the New York Evening Post stated that this club was "on a sound financial basis with working capital assured to it for some years to come," and that it had "decided to enter the coming political campaign actively, directing its energies largely to the Congressional districts." It further stated that "a strong effort will be made to compel candidates for Congress everywhere to declare themselves on one side or the other" of the tariff question.

Mr. James M. Swank tells us¹ that: "Mr. Potter insolently said to Mr. Dudley [Hon. Thomas H. Dudley, former United States Consul to Liverpool], during his visit to this country in 1879, that 'Englishmen don't object to your having a tariff for revenue only.' " That is, a tariff which is so low that it will not obstruct the sale of British goods in American markets. Upon Mr. Potter's return from the United States, at a dinner given by the Cobden Club, July 10, 1880, he said: "The Cobden Club is now about to enter a contest with a foe worthy of its steel. Their eyes are now turned westward; they are going to encounter their friends in the United States, and I believe they will ultimately be victorious." The foothold which this organization had soon gained in the United States is shown by its annual report of 1877, which includes the names of 130 prominent citizens of our country among its members. In this list is found the names of the most influential members of the Democratic party, professors in leading colleges, and those persistent agitators for

¹ Footprints of the British Lion, p. 7.

"tariff reform," who have filled the columns of our newspapers and magazines with their free trade arguments.

Recrudescence of Cobdenism.

With this working force a constant and unremitting agitation of the question could be kept up. With two great branch organizations, such as were located in New York and Chicago, the country could be flooded, as it was, with free trade literature emanating from the central office in England, without arousing too much suspicion that the movement was being directed and public sentiment being moulded by the brains of the Cobden Club. While the allies in the United States would apparently be playing the political game, the checkers on the board were actually being moved by the British lion. From the date of the meeting of the Cobden Club in 1880, for years the United States was flooded with its pamphlets and books, many of which reiterated the exploded theories of Cobdenism, while others were directed especially against the protective policy of the United States, and in the attempt to discredit it made most scandalous misrepresentations of facts and industrial conditions. So far as economic thought is concerned, there has been nothing added to the question by their disciples in America. In fact, not since 1860 has there been any improvement on the fallacies and false prophecies which were put out by the Manchester school. The plan of campaign pursued by the Cobden Club in the United States in the distribution of literature and interference in Congressional elections was at first bold and undisguised. The following single instance will illustrate their mode of operating: The Chicago Manufacturer of October 18, 1881, gives an account of a visit of one Professor Sheldon, of London, to one of the leading agricultural journals of that city, and of his urging its editor to publish in full the "Address to American Farmers" written by Mongredien. To the honor of the editor, the request was refused. The Manufacturer further says: "Another agent and correspondent of the Cobden Club, duly delegated, one Professor Bigelow, of New York, was in the city a day or two recently, consulting with local free traders. He was going to Indiana, well supplied with British pamphlets, with which he proposed to influence votes against candidates for Congress who were not pledged to propose or vote for the abolition of import duties, if elected." The attempt to meet these facts with ridicule and to treat them as a campaign cry raised by protectionists will not do. It is an insolent and unwarranted interference in the affairs of the American people by a commercial enemy. Its purpose is to destroy our cities and villages, to bankrupt our business men and manufacturers, to deprive our artisans of employment and reduce them to degradation and want, that British manufacturers may thrive. If one of our merchant vessels is seized on the high seas by a British subject, indemnity is demanded. If Great Britain attempts to take a foot of land from Venezuela, it is a violation of the Monroe doctrine, and the whole nation is fired with patriotism and summoned to arms. But the industrial policy which is protecting

The plan of campaign.

The Democratic party and free trade.

and keeping watch over the homes and firesides of our people can be overthrown by the fraud, deception and conspiracy of foreigners with impunity. Whole cities and industrial centres can be as effectually destroyed by this means as if bombarded with shot and shell.

The Cobden Club found a willing ally in the Democratic party. At this time its leaders were hunting about for a new issue. Their party had been routed in every presidential election since 1856, and every principle which they had endorsed since 1833 had been repudiated and condemned by the American people. The tariff question had been little discussed since 1860. The questions brought into prominence by the Civil War had absorbed public interest, while the necessities of the government for the payment of pensions, interest on the public debt, together with the efforts to rapidly reduce it, made a large revenue necessary. Hence the tariff question was taken out of party politics for a time. Hitherto even those who believed in free trade or lower duties had acquiesced in the policy made necessary by the revenue requirements. By 1882 the situation had materially changed. Free traders could now attack the tariff policy without being accused of assailing the credit of the nation.

The Southern people, from education and tradition, were opposed to protective duties. The Democrats of the Western States, devoted to agriculture, could easily be made to believe that it was better to buy their manufactured goods in Europe, where they could be obtained the cheapest. New York and the seaboard cities were filled with importers and those representing foreign houses and interested in foreign trade. All of these elements could be relied upon to unite at once under the banner of free trade. Again, the appeal which the free traders made to the consumers was very alluring. But above all this the study of economics had been neglected by the people. The specious and deceptive arguments of a few designing and crafty men, shaping and directing the campaign and moulding public sentiment, would create an impression against the policy of protection among patriotic and conscientious citizens, who have the highest regard for the welfare of their own country.

The President's message of 1887.

Through factional jealousies and dissensions in the Republican party, Grover Cleveland was elected President of the United States in 1884, defeating James G. Blaine, the candidate of the Republican party. Mr. Cleveland called to his aid as his chief counselors members of the Cobden Club. Among his cabinet officers were Thomas F. Bayard, William Endicott, L. Q. C. Lamar, all members of this organization. Mr. Manning, who was made Secretary of the Treasury, was known to hold less radical views on the question, but in a short time he resigned from the cabinet. When Congress convened in December, 1887, the administration opened its warfare on the policy of protection in the

President's message to Congress, which stated the grounds of attack as follows:

Our scheme of taxation, by means of which this needless surplus is taken from the people and put into the public treasury, consists of a tariff or duty levied upon importations from abroad, and internal revenue taxes levied upon the consumption of tobacco and spirituous and malt liquors. It must be conceded that none of these things subjected to internal revenue taxation are, strictly speaking, necessities; there appears to be no just complaint of this taxation by the consumers of these articles, and there seems to be nothing so well able to bear the burden without hardship to any portion of the people.

But our present tariff laws, the vicious, inequitable and illogical source of unnecessary taxation, ought to be at once revised and amended. *These laws, as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty, by precisely the sum paid for such duties.* Thus the amount of the duty measures the tax paid by those who purchase for use these imported articles. Many of these things, however, are raised or manufactured in our own country, and the duties now levied upon foreign goods and products are called protection to these home manufactures, because they render it possible for those of our own people who are manufacturers, to make these taxed articles and sell them for a price equal to that demanded for the imported goods that have paid customs duty. So it happens that while comparatively a few use the imported articles, millions of our people, who never use and never saw any of the foreign products, purchase and use things of the same kind made in this country, and *pay therefore nearly or quite the same enhanced price which the duty adds to the imported articles.* Those who buy imports pay the duty charged thereon into the public treasury, but the great majority of our citizens, who buy domestic articles of the same class, *pay a sum at least approximately equal to this duty to the home manufacturer.*

The first objection relates to the surplus in the Treasury. Mr. Cleveland and every free trader in the United States knew that the tariff could be revised in such a way as to afford ample protection to every industry and at the same time reduce the revenues which were being derived from customs duties. The surplus could be gotten rid of without in the slightest degree assailing a protective tariff. The cry which was raised by Mr. Cleveland against the surplus in the Treasury was repeated throughout the Democratic press and urged for years, as one of their objections against the policy of protection. It was under the cover of this sham assault that many free traders were able to carry on a guerilla warfare until the McKinley bill reduced revenues and relieved the government of its surplus to the extent of \$41,000,000, while giving increased protection to the industries of the country. The second paragraph quoted from Mr. Cleveland's message, however, contains the real objection relied on. This announced the cardinal principle of Cobdenism. It embodies the contention that, although it would result in the destruction of native industries, consumers should not be compelled, through a tariff policy, to contribute to the high wages paid to American labor, which increased the cost of production over goods made by the low paid labor of Europe. This is not the only expression we have from Mr. Cleveland in favor

Reduction of the surplus—The policy of "cheapness."

of "cheapness." In his speech at Columbus, Ohio, November 13, 1890, he said: "We are not ashamed to confess ourselves in full sympathy with the demand for cheaper coats, and we are not disturbed by the hint that this seems necessarily to involve a cheaper man or woman under the coat."

British
opinion
of the
President's
message.

Mr. Cleveland's message was at once recognized by British free traders as a response to the efforts of the Cobden Club in the United States, and the inauguration of a policy which would open our markets to the admission of their goods. The fundamental principles involved showed that Mr. Cleveland had been a close student of their literature.

The Glasgow Herald, in commenting on this message, said: "Take for example his argument against the wool tariff, that the farming class lose vastly more by the increased prices of clothes than they gain from the enhanced price of wool. This reads like an extract from an old speech of Mr. Bright's."

The London Saturday Review said of the message: "In America the President's policy means free trade. The President and the Democratic leaders have finally decided that they have nothing to gain by keeping measure any longer with the protectionists. They have, from whatever motive, *resolved to adopt a free trade policy.*"

The Scotchman, in speaking of the effect which Mr. Cleveland's proposal would have on British exports, said:

It may be admitted that large reductions in the duties on imported manufactured goods would produce great distress in many parts of the country [meaning the United States] . . . *The free importation of iron, coal and wool would be a great boon to British producers.* . . . If it were accompanied with reductions in the tariff upon cotton, woolen and other manufactures, *the artisans of this country would derive a marked benefit from it.*

The London Post said: "We shall be much mistaken if the effect of this state communication will not be to strengthen considerably the case of free traders in all parts of the world. *It will be regarded as a step in the right direction by all believers in the soundness of free trade principles.*"

The London Times said: "If President Cleveland's tariff reforms are carried, English goods and iron and steel largely will go to the States in greatly increased proportions."

The London Echo, for January 23, 1888, in speaking of the defeat of Mr. Randall's faction (in the Democratic caucus) said: "*This is good news for England for it means an increased wool, iron and steel trade.*"

British
views of the
effects of
reduction
of duties
in the
United
States.

Similar extracts might be quoted from many other British papers to prove that Mr. Cleveland's utterances were those of a free trader, and that if the principles enunciated were carried out it would result in a benefit to British manufacturers and an injury to those in the United States. One more quotation should be given to show the effect which Englishmen believed a reduction of duties by the United States would have on

British trade. In a tract issued by the Cobden Club for circulation among the workingmen of Great Britain to combat the rising sentiment in favor of protection, Mr. George W. Medley, one of the secretaries of the club, said that the result in England which would follow the adoption of universal free trade would be:¹

1. A sudden and vast demand for labor at home.
2. A sudden and great increase in wages.
3. A rapid increase in the number of our factories, workshops, mills, furnaces, etc.
4. A rampant speculation in everything connected with trade and manufactures.
5. A general rise in prices distressful to those with fixed incomes.
6. A rush of population from home and abroad to our manufacturing centres.
7. A stimulus given to marriage and population.
8. A demoralization of our laboring classes.
9. Strikes for an increase of wages, etc.

The pamphlet containing these predictions was put out in 1881. Believing that such results would follow the opening of foreign markets to the free admission of British goods, it is not surprising that the members of the Cobden Club should endeavor to procure the adoption of universal free trade; while, on the other hand, it is most astonishing that Mr. Cleveland or any other American citizen should aid in forwarding such a policy.

The message of President Cleveland summoned to action every free trader in the country. After this bold attack on the policy of protection by the chief executive, the Democratic press of the country began its assault with renewed vigor, and Democratic Congressmen became more outspoken in their expressions in favor of free trade. The following statements of leading members of the Democratic party will serve to show the radical position which their party was taking on the question. Hon. C. R. Breckinridge, of Arkansas, in the House of Representatives, May 17, 1888, said: "Of course, any reduction of excessive rates of tariff taxation is in the direction of free trade. I do not seek to conceal my own belief in the wisdom of the greatest possible freedom of trade from all hindrances and restrictions."

*Radical
views of
Democrats
on free
trade.*

Hon. John H. O'Neill, of Indiana, in the House of Representatives, May 14, 1888, said: "As a free trader—and I claim to be one—I protest against making the tariff so high as to destroy competition from abroad."

Hon. R. P. Bland, of Missouri, in the House of Representatives, July 19, 1888, said: "I am not here for the purpose of voting for a tariff on lead, or a tariff on flax, or a tariff on anything, but I am here to get the tariff off everything I can. I am in a combine for the purpose of reducing taxes, and I will vote for a bill with free lead or free anything else in it to accomplish that purpose."

¹ Fair-Trade Journal, Vol. 11., page 35.

Hon. S. S. Cox, in the House of Representatives, May 18, 1888, said:

There was no warrant in England, there is no warrant here either by natural laws, or state laws or constitutional requirements, to restrict such freedom of exchange for the personal or class interests of anyone, any more than there is a warrant for a state religion or the abridgment of speech, press and suffrage. Freedom not only to work as we please, but to dispose of the product of our work as we please; freedom to spend our money where we can get the most for it, and freedom to make that money without the ignominy of enslaving statutes.

Hon. Silas Hare, of Texas, in the House of Representatives, May 12, 1888, said: "I believe that a tariff for protection is the foundation and principal cause of all the complaints and unrest that has either threatened or actually disturbed the public peace and quiet for years. If we did not require money to defray the expenses of government, I would be an absolute and uncompromising free trader."

Hon. Peter T. Glass, of Iowa, in the House of Representatives, April 26, 1888, said: "I am in favor of putting all the raw materials of manufacture on the free list, including salt, coal, iron ore, copper, timber and lumber, together with every article now on the free list."

Hon. Edward Lane, of Illinois, in the House of Representatives, May 12, 1888, said:

Protection has its origin in the selfishness of our natures and not in the general good. We have free speech, free press, free soil, free thought, free religion, and our trade should be as free as possible. Freedom is a natural right. Free trade is the natural right of commerce. Protection is forever a cheat and a delusion. Protection is not right. It should be an inherent right in every American citizen to sell his labor and wares where he can get the best price and to buy where he can buy the cheapest. The protective system is un-American, and is a perversion of the laws of nature, of God and man.

*Further
expressions
of free
trade views.*

The foregoing quotations are extracts from speeches delivered in defence of the Mills bill. The following expressions of leading Democrats are cited as further evidence upon the question:

Hon. Roger Q. Mills:

If Grover Cleveland is re-elected President of the United States—as he will be; if another Democratic House of Representatives is chosen, and if we can get our Republican friends out of the other end of the Capitol and get Democrats in place of them, then we will pass a tariff bill that puts raw material on the free list, and then we will put our own intelligence and skillful and productive labor of this country upon a plane of equality with the laborers of all other countries.

I desire free trade, and I will not help to perfect any law that stands in the way of free trade.

Speaker Carlisle: "All trade should be as free as possible."

Secretary Fairchild: "Add to the free list as many articles as possible. Reduce duties upon every dutiable article to the lowest possible point."

Senator Vest: "We are entering upon a most fearful Presidential contest, the most important since that of 1860. Mr. Cleveland, by his message, for which I sincerely honor him, has challenged the protected industries of the country to a fight of extermination."

Hon. Henry Watterson: "The Democratic party is a free trade party, or it is nothing. The Democratic party will make a free trade fight in 1884. If it loses, it will make another in 1888. The conflict between free trade and protection is irrepressible and must be fought to the bitter end."

Democratic views.

Hon. Isidor Raynor:

But, Mr. Chairman, I appeal to the Democracy here to stand true to their colors. *I appeal to them to stand up to the traditions of our party.* A tariff for anything else than revenue is outside the traditions and principles of our party, and at war with its pledges and history. *It is foreign to our platform.* We have given to the people the assurances of our intentions to do this. Let us prove our faith by our works. Let us engrave upon the imperishable tablets of the law the truth of the doctrine we have proclaimed. *A man cannot, at this time, upon this floor, be a Democrat and be in favor of the continuance of present systems.*

Henry George: "Mr. Cleveland has burned his ships; he stands before the country as the champion of free trade against protection. If he is re-elected, protection will have received its death blow."

Memphis Appeal, Democrat: "But coming back to the fact of free trade, it is undeniable that this is the ultimate policy of the Democratic party, and the Mills bill is only a step toward its consummation, and for that day, we pray, 'God send it soon.'"

Hon. M. D. Harter: "I would abolish every custom house in the land. I would vote for the establishment of an institution to spread the cancer or a field in which to propagate cholera, or a school in which to teach vice and crime, rather than vote for a protective tariff of any kind."

Senator Coke, of Texas, said: "If there is any one thing in this world the average Texan would go any number of miles out of his way to kick, kill and destroy, it is a protective tariff."

Statements of this character from leading Democrats, from the men who control the legislation and direct the policy of the Democratic party, are too numerous to repeat. The literature of the Reform Club, or Free Trade League of New York City, has been filled with definite arguments and expressions in favor of the British system of economics. It would be unnecessary to quote so many of these expressions were it not for the fact that under the name of "Tariff Reform," an effort has been made and is still being made, to convince the people that the Democratic party is not a free trade organization and that its ultimate end is not the destruction of every vestige of protection and the establishment of a system of free competition.

The radical expression of Mr. Cleveland in his message of 1887 and of the free trade leaders resulted in defeat in 1888. Benjamin Harrison

*The return
of the
Republican
party to
power.*

was elected President, the Republican party was returned to power, and entered upon a revision of the tariff in harmony with the principles of protection. A history of the legislation having been given in a preceding chapter it is unnecessary to repeat it here. The revenues had been reduced in such a way that the Democratic party could no longer complain of a constantly accumulating surplus. The country had become so prosperous and industrial activity so universal, that it seemed to Republicans that no valid reason could be urged why the Democratic party should be again returned to power. The satisfactory results following the legislation of 1890 and the conditions existing while the campaign of 1892 was going on, were stated by President Harrison in his message to Congress in December, 1892, after the Republican party had been defeated, as follows :

*Industrial
advance
under pro-
tection.*

The new industrial plants established since October 6, 1890, and up to October 22, 1892, as partially reported in the American Economist number 345, and the extension of existing plants, 108; the new capital invested amounts to \$40,449,050, and the number of additional employees to 37,285.

The Textile World for July, 1892, states that during the first six months of the present calendar year 135 new factories were built, of which 40 are cotton mills, 48 knitting mills, 26 woolen mills, 15 silk mills, 4 plush mills, and 2 linen mills. Of the 40 cotton mills 21 have been built in the Southern States. Mr. A. B. Shepperson, of the New York Cotton Exchange, estimates the number of working spindles in the United States, on September 1, 1892, at 15,200,000, an increase of 660,000 over the year 1891. The consumption of cotton by American mills in 1891 was 2,396,000 bales, and in 1892, 2,584,000 bales, an increase of 188,000 bales. From the year 1869 to 1892 inclusive, there has been an increase in the consumption of cotton in Europe of 92 per cent, while during the same period the increased consumption in the United States has been about 150 per cent.

The report of Ira Ayer, special agent of the Treasury Department, shows that at the date of September 30, 1892, there were 32 companies manufacturing tin and terne plate in the United States, and 14 companies building new works for such manufacture. The estimated investment in buildings and plants at the close of the fiscal year, June 30, 1893, if existing conditions were to be continued, was \$5,000,000, and the estimated rate of production 200,000,000 pounds per annum. The actual production for the quarter ending September 30, 1892, was 10,952,725 pounds.

The report of Labor Commissioner Peck, of New York, shows that during the year 1891, in about 6000 manufacturing establishments in that State embraced within the special inquiry made by him, and representing 67 different industries, there was a net increase over the year 1890 of \$31,315,130.68 in the value of the product, and of \$6,377,925.09 in the amount of wages paid. The report of the commissioner of labor for the State of Massachusetts shows that 3745 industries in that State paid \$129,416,248 in wages during the year 1891, against \$126,030,303 in 1890, an increase of \$3,335,945, and that there was an increase of \$9,932,490 in the amount of capital and of 7346 in the number of persons employed in the same period.

During the last six months of the year 1891 and the first six months of 1892, the total production of pig iron was 9,710,819 tons, as against 9,202,703 tons in the year 1890, which was the largest annual production ever attained. For the same twelve months of 1891-92 the production of Bessemer ingots was 3,878,581 tons, an increase of 189,710 gross tons over the previously unprecedented yearly production of 3,688,871

gross tons in 1890. The production of Bessemer steel rails for the first six months of 1892 was 772,436 gross tons, as against 702,080 gross tons during the last six months of the year 1891.

The total value of our foreign trade (exports and imports of merchandise) during the last fiscal year was \$1,857,680,610 an increase of \$128,283,604 over the previous fiscal year. The average annual value of our imports and exports of merchandise for the ten fiscal years prior to 1891 was \$1,457,322,019. It will be observed that our foreign trade for 1892 exceeded this annual average value by \$400,358,591, an increase of 27.47 per cent. The significance and value of this increase are shown by the fact that the excess in the trade of 1892 over 1891 was wholly in the value of exports, for there was a decrease in the value of imports of \$17,513,754.

Foreign trade.

The value of our exports during the fiscal year 1892 reached the highest figure in the history of the government, amounting to \$1,030,278,148, exceeding by \$145,797,338 the exports of 1891 and exceeding the value of the imports by \$202,875,686. A comparison of the value of our exports for 1892 with the annual average for the ten years prior to 1891 shows an excess of \$265,142,651 or of 34.65 per cent. The value of our imports of merchandise for 1892, which was \$829,402,462, also exceeded the annual average value of the ten years prior to 1891 by \$135,215,940. During the fiscal year 1892 the value of imports free of duty amounted to \$457,999,658, the largest aggregate in the history of our commerce. The value of imports of merchandise entered free of duty in 1892 was 55.35 per cent, of the total value of imports, as compared with 43.35 per cent in 1891 and 33.66 per cent in 1890.

Another indication of the general prosperity of the country is found in the fact that the number of depositors in savings banks increased from 693,870 in 1860 to 4,258,893 in 1890, an increase of 513 per cent, and the amount of deposits from \$149,277,504 in 1860 to \$1,524,844,506 in 1890, an increase of 921 per cent. In 1891 the amount of deposits in savings banks was \$1,623,079,749. It is estimated that 90 per cent of these deposits represent the savings of wage-earners. The bank clearances for nine months ending September 30, 1891, amounted to \$41,049,390,808. For the same months in 1892 they amounted to \$45,189,601,947, an excess for the nine months of \$4,140,211,139.

General prosperity.

There never has been a time in our history when work was so abundant or when wages were so high, whether measured by the currency in which they are paid or by their own power to supply the necessities and comforts of life. It is true that the market prices of cotton and wheat have been low. It is one of the unfavorable incidents of agriculture that the farmer cannot produce upon orders. He must sow and reap in ignorance of the aggregate production of the year, and is peculiarly subject to the depreciation which follows over-production. But, while the fact I have stated is true as to the crops mentioned, the general average of prices has been so much as to give to agriculture a fair participation in the general prosperity.

It was in the midst of this marvelous prosperity in 1892 that the Republicans renominated Benjamin Harrison, and adopted a platform endorsing the recent legislation and the policy of protection.

Mr. Cleveland was again brought forward by the free trade element of his party as its candidate for President. It was apparent some time before the convention assembled that his nomination was assured. When the convention met in the city of Chicago, the adoption of a plank on the tariff question became next in importance to the nomination of the candidate. This was so fully recognized by Mr. Cleveland and his associates that Senator Gorman, Senator Gray and other trusted managers had

The Democratic platform of 1892.

decided in advance to re-adopt the platform upon which Mr. Cleveland was elected in 1884, which was so indefinite upon the question that the manufacturers, laborers and business men of the Eastern and Middle States could be appealed to for support with more assurance of success. In 1888 the famous free trade message quoted from above was recognized as the platform upon which he was running, and resulted in his defeat. Hence, Mr. Cleveland and his friends had decided to adopt more politic expressions. When the convention assembled, the committee on resolutions presented a platform in accordance with the plan stated; but the convention was filled with delegates from the West and South who had become so strongly imbued with radical free trade sentiments that, in spite of the advice of the more astute friends of Mr. Cleveland, the following plank was presented to the convention, and adopted by an overwhelming majority:

Section 3. We denounce Republican protection as a fraud—a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purpose of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the government when honestly and economically administered.

This was the most radical declaration in favor of free trade that had been made by the Democratic party since the Convention of 1856. It expressly declared that when a duty on an imported article is made high enough to afford protection to home labor, and thereby restricts importations and revenues, it becomes unconstitutional, thus reviving the principles of Calhounism, and challenging the opinions of the framers of the Constitution upon this question. They further declared that the McKinley bill was “the culminating atrocity of class legislation,” and promised its repeal if placed in control of the government.

This expression was so radical that it alarmed Mr. Cleveland and his associates. We are informed by Senator Gorman, in his speech in the United States Senate, July 28, 1894, that the situation was carefully considered, and it was decided that the campaign should be conducted upon more conservative lines. Democratic producers from various parts of the country, and especially public men whose advice would be relied upon by their constituents, sought Mr. Cleveland for advice on the policy which the party would pursue in the event of success. A conference was held and a more politic course decided upon. Mr. Gorman says:

“*Tariff
reform.*”

After a great deal of talk, after the most careful consideration, the candidate of our party told them, as he told the public through his letter, that the Democratic party was not to destroy industries; that it should place a fair duty upon dutiable articles—a revenue duty; that the bill which had met approval was the Mills bill, and on the line of the Mills bill the Democratic party would act.

With the fear of defeat staring him in the face, Mr. Cleveland adopted the policy of Polk in 1844, and modified his expressions, although he had not changed his views. He attempted to make a platform upon which he was to run, which would be more likely to catch votes and insure his election. In his speech, made at Madison Square Garden, New York City, July 20, 1892, he said: "Ours is not a destructive party. We are not at enmity with the rights of any of our citizens. All are our countrymen. *We are not recklessly heedless of any American interests, nor will we abandon our regard for them.*"

Again, in his letter of acceptance, dated Gray Gables, September 26, 1892, he said:

Tariff reform is still our purpose. *We wage no exterminating war against any American interests.* We believe a readjustment can be accomplished in accordance with the principles we profess *without disaster or demotion.* We contemplate a fair and careful distribution of necessary tariff burdens *rather than the precipitation of free trade.* We will rely upon the intelligence of our fellow-countrymen to reject the charge that a party comprising a majority of our people is *planning the destruction or injury of American interests.*

Hence, the Democratic party went before the people with two platforms; in the South and West it was well understood that the Chicago platform represented the real sentiment of the party, and that it embodied the principle which would guide its action when once placed in control of the government; while through the Eastern and Middle States it was claimed that Mr. Cleveland had modified his views upon more careful reflection, since his bold free trade statements in 1887, and the labor, capital and interests of the country would be safe from invasion and attack in his hands. Through this system of double dealing and the prejudices which were aroused by the misrepresentations and falsehoods against the McKinley bill, Mr. Cleveland was elected, and with him a large majority in the House of Representatives, and sufficient Senators to control Congress. Never in the history of American politics was such a shameful campaign as this one waged by the Democratic party. Our workmen were almost too busy to read or to listen to arguments presented by editors and speakers, but the free trade leaders were desperate, another year or two of workings of the tariff bill would have blasted every hope of free trade in America for years to come and so vindicated the wisdom of protection that it would have been placed beyond attack.

The plan of campaign adopted by the Democratic party was to assail and misrepresent the McKinley bill. They argued, first, that the prosperity we were enjoying and in fact, the industrial prosperity which had been so continuous and universal for the past thirty years, arose from the superior natural advantages of our soil and climate, the energy and genius of our people, and that it was in spite of, rather than because of, protective legislation. Our employers of labor were denounced

Misrepresentations of free traders.

as "robber barons," "monopolists," "capitalists," and every effort was made to prejudice and misguide the masses of the people. The arguments of European anarchists were imported and hurled at our thrifty and enterprising men of means. They claimed that the rich were growing richer and the poor poorer, and that it was all due to the policy of protection. Again, the cry of high prices was raised. Tin peddlers were sent through Congressional districts, from house to house, demanding higher prices for their wares, telling the people that the increase in price was due to the McKinley bill. Every failure on the part of labor organizations to obtain an advance in wages was heralded from one end of the country to the other, and wages were claimed to have been reduced in consequence of the recent tariff legislation, notwithstanding the fact that a Senate committee had made an investigation of the question of wages and prices which was participated in by free trade statisticians, and that its report, concurred in by leading Democratic Senators, among whom was John G. Carlisle, showed that prices had declined and wages had advanced after the passage of the Republican measure.

*Free trade
promises.*

Our producers were told that if the Democratic party was trusted with power the tariff would be so reformed that they could greatly extend their foreign trade and capture the markets of the world, notwithstanding the fact that after the Republican legislation our foreign trade had been larger than ever before in the history of the country, and through reciprocity treaties a definite and practical means had been provided for opening the markets of South America to our wares under the most favorable conditions possible. In the West and South it was argued that cheap clothing and manufactured goods were to be received from Europe in exchange for farm products, while in the manufacturing districts of the East, it was urged that by putting wool on the free list so that our manufacturers could buy this raw material in South America and Australia, they would be able to enter the markets of the world, greatly extend the foreign trade and increase the employment of labor. In one part of our country it was claimed that we were to sell manufactured goods in foreign countries, while in another part exactly the opposite was maintained. It would require too much space to attempt to point out the frauds perpetrated on the American people. The Democratic party became desperate and stopped at nothing to carry the election.

*Effect of
the fear
of tariff
reduction
on business.*

The manufacturers of the country, however, were not deceived by the methods resorted to, they well knew what was sure to follow. Manufacturers and business men are keen and sensitive, and when they realized that a free trade measure of some kind would become a law in a year or two at the farthest, that the spendable income of millions of laborers and consumers would be reduced or cut off altogether, that the cheap products of foreign mills would come to our shores, and that they would be plunged into a life-and-death struggle of competition with

the manufacturers of Europe, they were compelled in self-defence, in response to and in keeping with the laws of trade and commerce, to curtail their productions and prepare for the leveling process which was to be forced upon them. To go on paying the former wage rate and piling up a large stock of goods at the former cost of production, ultimately to be offered for sale in competition with the cheap goods made by the poorly paid labor of foreign rivals, would bring certain ruin and bankruptcy. Merchants also well understood the situation, and postponed their purchases to buy more cheaply of importers. It would be unwise for them to be caught with large stocks of goods, made in American factories by American labor, when the day of lower prices should arrive, under ruinous free trade competition. The result of the election was a surprise to business men. During the prosperous years following the passage of the McKinley bill, they had made large purchases and done an extensive business without once thinking that the calamity which followed the election of Mr. Cleveland was so near at hand. Hence, a readjustment of business to the leveling process of free trade practically commenced on November 9, 1892, when the result of the election became known. All the magnificent results of the legislation of 1890 were to be destroyed. The reciprocity treaties were to be revoked. The sugar bounty would give way to a tax levied on every family. Our tin plate industry would be crippled if not destroyed. The sheep on our farms would be slaughtered. The mills of Lowell would be closed that the factories of Bradford might run full time. The duties on all competing manufactured articles were to be reduced to a point which would bring hundreds of millions of dollars' worth of goods from the factories of Europe to displace goods which had hitherto been made by our own labor. The only effective weapon of defence which our manufacturers had for resisting this invasion, would be found in a reduction of wages and profits. The statements of protectionists that this must necessarily occur, although it had been disputed, was now openly conceded by many leading free traders, as is shown by the following quotation.

The beginning of the panic.

On the seventeenth day of November, 1892, just nine days after the election of Mr. Cleveland, the New York Commercial Bulletin, a leading free trade journal, after showing that the new conditions which must result from the introduction of Mr. Cleveland's tariff policy, would for a time bring about falling markets, limited business, cautious buying, reduced stocks, and a shrinkage in values, said :

The chief pressure of these transient disarrangements will be found to finally settle upon raw materials and labor. If the manufacturer has to accept a lower price for his product, he must either close his works or get compensation in a reduction of the costs of production, and that economy must be his first resort for self-protection. The producer of raw materials can have no choice but to accept his share of concession, at once if he must, later if he may. *Labor may be expected to yield its quota of concession, grudgingly and tardily and possibly not without more or less disturbing*

A low tariff means low wages.

resort to lock-outs and strikes. *Those who have taught workingmen that a reduction of tariff does not mean a relative reduction of wages have adulterated a great reform with a very paradoxical doctrine ; but we doubt whether they have succeeded to any great extent in misleading their pupils. It certainly does not require anything beyond the measure of intelligence with which the American workman is commonly credited to comprehend the accepted rule that, in the first place, if products are to be sold for less, the working producer must get less pay ; and that, in the next place, if workmen concede in wages they will get full compensation in the cheapening of the products they have to buy, so that the net result to the earner is the same under low wages as under higher. But while we have no doubt that the mass of workmen are in a measure prepared for this equal change in wages and in prices when the new tariff comes into operation, yet it is a question whether they will readily accept any reduction of pay until the new tariff goes into effect. This may prove to be one of the most embarrassing features we shall have to encounter in approaching the new commercial policy.*

The triumph of the Democratic party under these circumstances was at once accepted by Mr. Cleveland and the tariff reformers as a verdict in favor of free trade. The principles laid down in the Madison Square Garden speech and the letter of acceptance, were now ignored and the Chicago platform emerged from the campaign as expressing Democratic principles and the wishes of the majority of the American people. Mr. Cleveland in his inaugural address on the fourth of March, said:

The alleged evils of protection.

The verdict of our voters which condemned the injustice of maintaining protection for protection's sake, enjoins upon the people's servants the duty of exposing and destroying the brood of kindred evils which are the unwholesome progeny of *paternalism*. *The lessons of paternalism* ought to be unlearned and the better lesson taught, that while the people should patriotically and cheerfully support their government, *its functions do not include the support of the people*. The acceptance of this principle leads to the refusal of *bounties* and *subsidies*, which burden the labor and thrift of a portion of our citizens to aid ill-advised or languishing industries in which they have no concern. While there should be no surrender of principle our task must be undertaken wisely and without vindictiveness. Our mission is not punishment but the rectification of wrongs.

The meaning of the phrase used by President Cleveland cannot be misunderstood. The "brood of kindred evils which are the unwholesome progeny of paternalism," relates definitely to protected industries. This was but a reiteration of the epithets long applied by free traders and is but another name for protection. The expression that "its [the government's] functions do not include the support of the people" merely re-asserts the principle held to by the French economists and forms an essential element of free trade, that the functions of governments are simply to preserve order, enforce contracts and leave the people under the law of "the survival of the fittest" to fight out the "struggle for existence," the weak to succumb to the strong. It involves the subjection of our labor and

capital to the unrestricted competition of foreign rivals, to be supplanted and destroyed, or reduced to the level of the poorly paid wage-earners of Europe. It means that manufactured articles shall be made where they can be made the cheapest, regardless of the welfare of our own citizens. To place any other construction upon this declaration would be a reflection upon Mr. Cleveland's intelligence, more especially so since he has now spent years of study and reflection upon the question. The language used, although couched in technical and skillful free trade terms, could deceive no one familiar with free trade literature. These expressions which foreshadowed the future policy of the party, tended still further to alarm the business men of the country and increase the calamities which had already made their appearance. It was a notice to the industrial interests of the country to prepare themselves for the executioner's axe which was ready to fall on their necks.

With this threatened assault upon the industries of the country, by men not only desperately bent on executing their purpose, but having the means by which to carry it out, it is idle to attribute the business crisis which immediately followed to causes other than the tariff policy of the Democratic party. Those familiar with the effect which low duties had had on our industries in years past could not mistake the inevitable results which were to follow. By the first of July, 1893, the panic had set in with all its intensity, grew more severe during the next winter and has continued until the present time (January 1, 1896). Capital became frightened, investments not only ceased, but money was fast withdrawn from productive industries. Millions of dollars of our domestic securities held in foreign countries were returned and thrown on our market, the gold reserve in the Treasury was constantly reduced, and the sale of bonds was begun for its maintenance. We were again on the verge of the disasters of 1857. During the winter of 1893-4 in New York City the Herald established a free clothing fund, and the World a free bread fund. In more respects than one did 1893 and 1894 resemble the last free trade period preceding. This time we had no gold discovery or foreign war or foreign famine to help us out, and the storm of free trade disaster burst in all its fury.

*The panic
of 1893-4.*

The following is from a statement of R. G. Dun & Co., at the close of the year:

Starting with the largest trade ever known, mills crowded with work and all business stimulated by high hopes, the year of 1893 has proved, in sudden shrinkage of trade, in commercial disasters and depression of industries, the worst for fifty years. Whether the final results of the panic of 1837 were relatively more severe, the scanty records of that time do not clearly show. The year closes with the prices of many products the lowest ever known, with millions of workers seeking in vain for work, and with charity laboring to keep back suffering and starvation in all our cities.

How like 1857 was 1893 can be seen from the following extracts from the messages of President Buchanan and President Cleveland:

FROM PRESIDENT BUCHANAN'S ANNUAL
MESSAGE TO CONGRESS, 1857.

With unsurpassed plenty* in all the productions and all the elements of natural wealth our manufacturers have suspended; our public works are retarded; our private enterprises of different kinds are abandoned; and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interest, is in a deplorable condition.

FROM PRESIDENT CLEVELAND'S ANNUAL
MESSAGE TO CONGRESS, 1893.

With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial fear and distrust have sprung up on every side. Numerous moneyed institutions have suspended Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan And loss and failure have involved every branch of business.

As President Buchanan feared, a loan was required and a second as well. President Cleveland, too, found it necessary to issue bonds.

Not only Mr. Cleveland but the Democratic press and members of Congress proclaimed the verdict of the people as a condemnation of the policy of protection and as a demand for free trade legislation. There was, however, a large element of the Democratic party that would not have given its support to Mr. Cleveland had his canvass been made in the Eastern and Middle States on the Chicago platform, instead of on his declaration "we will not destroy any industry." In speaking of this, Senator Gorman said, in the speech quoted from:

"As I have once before said in the Senate, but for that declaration I do not believe Mr. Cleveland could have carried the country and been elected President of the United States."

Notwithstanding this fact the people found the free trade element of the Democratic party in power. Those Democratic members of Congress who, in appealing to their constituents for support, had claimed that they did not entertain free trade views, and that the industries of the country would be safe in the hands of their party, found themselves unable to control the Democratic caucus, and were forced either to abide by its decision or to place themselves in antagonism to the administration, with the loss of patronage to their friends and the disfavor which such action would incur. In the formation of the Cabinet, the organization of the House of Representatives and the appointment of the Ways and Means Committee, the free trade element of the party was placed in control. John G. Carlisle, of Kentucky, a member of the Cobden Club, was made Secretary of the Treasury. Mr. Crisp, of Georgia, was elected Speaker and appointed the following Ways and Means Committee, of

*The passage of the
Wilson bill
in the
House.*

which Mr. Wilson, of West Virginia, an ardent free trader, was made chairman. The members of the committee were, Democrats: Wilson, West Virginia; McMillin, Tennessee; Turner, Georgia; Montgomery, Kentucky; Whiting, Michigan; Cockran, New York; Stevens, Massachusetts; Bryan, Nebraska; Breckinridge, Kentucky; Bynum, Indiana; Tarsney, Missouri. Republicans: Reed, Maine; Burrows, Michigan; Payne, New York; Dalzell, Pennsylvania; Hopkins, Illinois; Gear, Iowa.

The Democratic members of this committee entered upon the work of framing a tariff bill with a reckless disregard for the industrial interests of the country. Petitions and memorials from laboring men, manufacturers and business men were ignored, while importers and representatives of foreign manufacturers were consulted in framing tariff schedules affecting the interests of American labor and capital. The policy of the legislators of France, Germany and Great Britain, in fact of all industrial countries, has been to seek advice from experienced manufacturers upon such questions, but the free trade Congressmen of the United States have adopted a policy quite the reverse. A bill, practically framed in the secret meetings of the Democratic members, was presented to Congress by the chairman, Mr. Wilson, and after a short debate was passed. All but seventeen Democratic members recorded their votes in its favor.

The measure, which became known as the Wilson bill, placed iron ore, bituminous coal, wool, cotton ties, binding twine, nearly all farm products and many other articles on the free list, and made most radical and sweeping reductions in import duties on the whole line of competing commodities. The bounty on sugar was repealed, as was the reciprocity paragraph of the McKinley bill. This was a more radical free trade measure than either the act of 1846 or that of 1857. In those acts protection was extended to the coal and iron miners, and a duty was placed on wool. Considering the fact that to-day there is a greater difference between the wages paid in the United States and competing foreign countries than existed prior to 1860; that since Continental Europe has developed a vast manufacturing system, competition has become sharper, and a larger surplus of products made in those countries is ready to be placed on our markets; the measure embodied more radical free trade principles than any other act passed by the Democratic party since 1833. Our industrial system had become so vast that this bill, if it had become a law, would have been most destructive in its results.

It should be borne in mind that its main purpose was to increase the imports of competing manufactures from Europe. It was expected and intended by its advocates, that many of our industries would be supplanted. Those which would be unable to live when protection was withdrawn were branded as "pauper industries." The Hon. John

The Wilson bill a radical measure.

DeWitt Warner, a leading free trade member of the House, in a speech in its support January 10, 1894, said:

If, however, in some cases it shall turn out to be as those who are engaged in them [our industries] fear, if whenever the support of taxation upon others is withdrawn from them they find that they can not make a living here, then all that workingmen of my district have to say is this: "If you are going away, go and God speed to you; for the quicker you go the better we will be off; if you are going to die here, die, and we will plant flowers over your grave; for your room is worth more than your company."

*Dissension
in the
Democratic
party.*

This was greeted with loud applause on the Democratic side of the House. Whether Mr. Warner had a correct understanding of the sentiments of the workingmen of his district, is immaterial, the important fact is that the measure dealt a death-blow to many of our industries and the Democratic members were expressing their desire to put flowers on their graves. It may not be out of place, however, to state that in the election which followed the passage of this bill the workingmen were quite as anxious to put flowers on the grave of the Democratic party, and marked Mr. Wilson and many of his followers, as they had marked our industries, for destruction. When this measure reached the Senate, it met the opposition of four Democratic Senators. Senator Hill, of New York, opposed it on the ground that it contained a provision levying a tax on incomes; Senator Brice, of Ohio, Smith, of New Jersey, and Gorman, of Maryland, because it was in violation of Mr. Cleveland's promise and the assurance which had been given by the managers of the campaign that no American industry would be destroyed. The opposition of these Senators called down upon their heads the most violent denunciations of the Democratic press of the country. They were denounced as traitors to their party, and most scandalously vilified for attempting to stay the hand of free trade.

*The
Gorman-
Wilson bill.*

The Democratic party had forty-four Senators. The votes of forty-three were necessary to the passage of any tariff bill. The vote of Senator Hill could not be relied upon for the passage of any measure which imposed an income tax. Hence, a compromise was agreed upon which placed a moderate duty on coal, iron ore, and by over 600 amendments the duties were increased on competing imports; upon some, quite materially, and others, very slightly. The bill finally passed the Senate after a long debate in which the Republican Senators made the most able and gallant fight in defence of American industries that has ever been made in the halls of Congress since the government was organized. The lack of rules in the Senate and the long delay on the part of the Democratic Senators to reach a compromise, gave to the Republicans an opportunity in debate to discuss every phase of the bill, such as was not accorded to the Republican members in the House, who were so far in a minority that they were

unable to obstruct and hold the bill until its iniquitous features could be fully exposed.

This measure, which became known as the Gorman-Wilson bill, passed the Senate and was returned to the House for concurrence in the amendments. After some delay and the expression of the most violent indignation by the free traders at the course of the few Senators who had given their ultimatum in the amendments, it was reluctantly accepted and passed the House. The Gorman-Wilson bill was a measure forced on the Democratic party by three Senators representing States whose interests could not be ignored with safety to themselves and their party. The Wilson bill, as framed and passed by the House, was the administration measure and represented the sentiments of a large majority of the Democratic party on the question. It discloses the character of the legislation which Mr. Cleveland and his associates would have forced upon the people, had the will and sentiment of their party prevailed. In considering the future attitude of the Democratic party upon this question, the Wilson bill must be taken as representing its policy and principles; while in considering the effect of low duties and an approach toward free trade upon the industries of the country, the reduction of duties under the Gorman-Wilson bill must be taken as a standard.

On July 2, 1894, when the bill was suspended in the Senate and its fate uncertain, Mr. Cleveland wrote a letter to Chairman Wilson, in which he said:

Democratic dissatisfaction with the Gorman-Wilson bill as too moderate a measure.

There is no excuse for mistaking or misapprehending the feeling and temper of the rank and file of the Democracy. They are downcast under the assertion that their party fails in ability to manage the government, and they are apprehensive that efforts to bring about tariff reform may fail; but they are much more downcast and apprehensive in their fear that Democratic principles may be surrendered.

Every true Democrat and every sincere tariff reformer knows that this bill, in its present form and as it will be submitted to the conference, falls far short of the consummation for which we have long labored, for which we have suffered defeat without discouragement; which, in its anticipation, gave us a rallying cry in our day of triumph, and which, in its promise of accomplishment, is so interwoven with Democratic pledges and Democratic success, that our abandonment of the cause or principles upon which it rests means party perfidy and party dishonor.

On August 27, 1894, in a letter written to Hon. T. C. Catchings, of Mississippi, he said:

But there are provisions in this tariff bill which are not in the line with honest tariff reform, and it contains inconsistencies and crudities which ought not to appear in tariff laws or laws of any kind. Besides, there were, as you and I well know, incidents accompanying the passage of the bill through Congress which made every sincere tariff reformer unhappy, while influences surrounded it in its later stages, and interfered with its final construction, which ought not to be recognized or tolerated in Democratic tariff reform counsels.

And yet, notwithstanding all its vicissitudes and all the bad treatment it received at the hands of pretended friends, it presents a vast improvement to existing conditions. It will certainly lighten many tariff burdens that now rest heavily upon the people. It is not only a barrier against the return of mad protection, but it furnishes a vantage ground from which must be waged further aggressive operations against protected monopoly and governmental favoritism.

I take my place with the rank and file of the Democratic party who believe in tariff reform, and who know what it is; who refuse to accept the results embodied in this bill at the close of the war; who are not blinded to the fact that the livery of Democratic tariff reform has been stolen and worn in the service of Republican protection, and who have marked the places where the deadly blight of treason has blasted the counsels of the brave in their hour of might.

Mr. Wilson said (Congressional Record, August 14, 1894): "So far as I am concerned, and I believe so far as the people with whom I am associated in this great work here are concerned, we do not intend to give up this fight."

Senator Mills said (Congressional Record of August 16, 1894):

We are going backward instead of forward. We do not at all accept this as a final settlement of the question of tariff reform. We have carried the outposts that defended the citadel of the enemy, and we intend to push the contest until we carry the gates of the city and sweep the streets of the enemy and take everything from him—remove all barriers and permit free trade all over the world.

The Hon. Henry Watterson, in the Louisville Courier Journal, said:

The Democratic party is irrevocably pledged to the obliteration of protectionism in all its forms from our revenue system, and we may be sure that it will not have ceased its consideration of the tariff nor close this interesting chapter in our domestic economy until the last obstruction to free commerce with the nations of the world has been removed. The conflict between free trade and protection is an irrepressible conflict.

The character of the Gorman-Wilson bill.

Space will not permit a presentation of all the provisions of the bill. Did we not have the Wilson bill with which to contrast the Senate bill the country would still be astonished at the length to which the Democratic party had gone in its mad career of destruction. The advantage secured to our foreign trade through the reciprocity treaties has been destroyed by repealing the provision which permits the government to enter into reciprocal arrangements for the admission of our produce into foreign countries upon favorable terms. From this it would seem that, while it is in harmony with tariff reform to give foreign producers advantages in our markets, it is a violation of its principles to secure advantages to our producers in their markets. The weapon by which we forced Germany and France to withdraw their restriction against our pork has been laid aside.

Wool was placed on the free list, while the duties on woolen goods were reduced to an ad valorem rate of less than 50 per cent, and the duties

on the whole schedule of competing commodities were reduced so low that a reduction in wages was made necessary in order to hold our home market, and even then we were being supplied with millions of dollars' worth of manufactured goods which had formerly been made in our own factories. Although it is difficult to compare schedules by percentages on account of fluctuation in prices, the following reductions in duties were reported by the government to have been made:

Transferred from dutiable to free list, ...	92 Articles
Reduced over 75 per cent, ...	7 "
Reduced from 50 to 75 per cent, ...	112 "
Reduced from 25 to 50 per cent, ...	368 "
Reduced 25 per cent or less, ...	250 "
Increased, ...	53 "

Among those articles upon which duties were increased were sugar, shelled peanuts, seal oil, castile soap, molasses, dates, pineapples, olives, grapes, Zante currants, orange and lemon peel, cocoanuts, desiccated cocoanut, mineral waters, cork bark, acetic acid, collodion, alabaster, gimps, galloons, etc., bronze powder, bark for dyeing or tanning, and umbrella and parasol ribs.

This measure has now been in force a year and a half, and its results have become so well known that we are better able to judge of the competency of the Democratic party to manage the affairs of the nation and to measure more accurately the effect of the policy of low duties on the business interests of our country. That the bill has not accomplished what was claimed for it by the Democratic party is now apparent. The predictions of the free traders are well illustrated by the following extract from the speech of Senator Roger Q. Mills, made in the United States Senate in favor of the Gorman-Wilson bill, April 28, 1894:

*Free trade
predic-
tions.*

Mr. President, when we prevent things from coming to this country we prevent an equal amount of things from going away from this country. There can be no trade except by the exchange of two or more things. You cannot conceive of a trade that does not require at least two persons to make it, and you cannot conceive of a trade that does not require at least two things to be exchanged.

When we see that Great Britain is taking 52 per cent of her wheat from the fields of the United States and we are imposing a duty upon her woolen and cotton, and iron and steel, and glass, and other goods, it is easy to be seen that we are keeping away many millions of her products that would come here and exchange for our wheat, and thus keeping at home an equal amount of our wheat. . . .

If we open the market and remove the obstruction in the way of importation and permit importation to come unchallenged to the country, what would be the first effect of it? Increased exportation, preceded by increased demand for cotton, wheat, and provisions. What would follow from that? Increased prices of agricultural products? Mr. President, the very same products which we export now, and which bring us \$799,000,000, would then bring us \$150,000,000 more. We find that, when importations fall off prices fall from 18 to 20 per cent, and when importations flow in the prices of agricultural products rise 18 or 20 per cent or more. The same quantity

of products we now send abroad and sell for \$799,000,000 we would sell for more than \$900,000,000. Then all these millions of bushels of waste wheat, waste corn, waste oats, and other farm products would find a profitable market for their sale. Our importations would increase largely. With open markets I do not doubt but that they would increase \$300,000,000. It was said in another place that if this bill were passed it would increase our imports \$250,000,000, and that would result in great injury to our manufacturers and throw out of employment thousands of operatives and reduce the wages of hundreds of thousands more. I hope the bill will pass, and that it will increase our imports \$300,000,000.

If we shall have fairly good crops this year and the pending bill shall become a law, importations will largely increase; and if the crop of the year equals that of 1891, the increase of importations will go to \$300,000,000, and if it does exports will increase to the same extent.

*Foreign
trade.*

This speech will remind the reader of the prophecies and fallacies which Richard Cobden and the members of the Anti-Corn Law League used to the farmers of England, to induce them to abandon protection in 1846. The first paragraph quoted from Mr. Mills, that "you cannot conceive of a trade that does not require at least two persons to make it, and you cannot conceive of a trade that does not require at least two things to be exchanged," is very true, yet one of the things exchanged may be gold; but this was not the idea which Mr. Mills intended to convey, as is shown by what follows. He intended to convince the Senate that the increased imports of consumable commodities would necessarily be paid for by exports of commodities made in our factories and raised on our farms. The experience of all nations shows that this has not occurred under free trade or low duties in any country that has tried the experiment. England buys \$600,000,000 more than she sells.

In every low tariff period of the United States we have purchased of foreign countries more than we have sold to them, and we have settled the balance against us by shipments of gold. This is precisely what has occurred and is occurring now since the bill which Mr. Mills advocated has become a law. There is one prediction, however, which Mr. Mills made, which is coming true; our imports of foreign-made goods are constantly increasing, and they will have increased by \$300,000,000, the sum named by Mr. Mills, if the bill remains on the statute book a few years longer. But it is absolutely certain that foreigners will not come to our market and purchase either agricultural produce or manufactures, until we offer them for sale at as low a price as they can be purchased in any other country. Until this can be done they will take our gold and with it buy where they can buy the cheapest.

*Effects
of the
Gorman-
Wilson
tariff.*

The following are some of the results of this measure, which are quite different from those predicted by Mr. Mills. While our purchases in foreign countries have increased, they are buying less of us. In 1892 our foreign trade was the largest ever known in the history of the country. It has now greatly declined, as is shown by the following statistics:

*Summary Showing the Imports and Exports of the United States for the
Years 1892, 1894 and 1895, Ending June 30.
Compiled from Bureau Statistics Treasury Department.*

COMMODITIES.	1892.	1894.	1895.	Calendar Years.	
				1894.	1895.
<i>Merchandise.</i>					
Exports—Domestic, ...	\$1,015,732,011	\$869,204,937	\$793,392,599	\$807,312,116	\$807,775,849
Foreign, ...	14,546,137	22,935,635	31,571,598	17,790,132	17,120,673
Total, . . .	\$1,030,278,148	\$892,140,572	\$824,964,197	\$825,102,248	\$824,896,522
Imports—Free of duty, . . .	\$457,999,658	\$379,795,536	\$363,233,795	\$383,371,933	\$384,774,367
Dutiable, ...	369,402,804	275,199,086	368,736,170	292,941,008	416,852,271
Total, . . .	\$827,402,462	\$654,994,622	\$731,969,965	\$676,312,941	\$801,626,638
Excess of domestic exports, .	\$188,329,549	\$214,210,315	\$61,422,634	\$130,999,175	\$6,149,211
Excess of total exports, . . .	202,875,686	237,145,950	92,994,232	148,789,307	23,269,884
<i>Gold.</i>					
Coin and Bullion—					
Exports, ...	\$50,195,327	\$76,978,061	\$66,131,183	\$101,819,924	\$104,605,023
Imports, ...	49,699,454	72,449,119	35,146,734	20,607,561	32,539,336
Excess of exports, ...	\$495,873	\$4,528,942	\$30,984,449	\$81,212,363	\$72,065,687
In Ore—					
Exports, ...	\$13,004	\$17,069	\$9,286	\$29,811	\$361,315
Imports, ...	249,304	540,444	1,238,026	743,046	1,840,357
Excess of imports, ...	\$236,300	\$523,375	\$1,228,740	\$713,235	\$1,479,042
<i>Silver.</i>					
Coin and Bullion—					
Exports, ...	\$32,810,559	\$50,451,265	\$47,227,317	\$47,044,205	\$53,833,153
Imports, ...	19,955,086	13,286,552	9,552,520	9,824,408	11,273,277
Excess of imports, ...	\$12,855,473	\$37,164,713	\$37,674,797	\$37,219,797	\$42,559,876
In Ore—					
Exports, ...	\$332,336	\$69,015	\$21,763	\$201,602	\$368,351
Imports, ...	9,656,761	6,679,161	10,658,659	7,809,186	12,610,327
Excess of imports, ...	\$9,324,425	\$6,610,146	\$10,636,896	\$7,607,584	\$12,241,976

The large increase of dutiable imports has occurred in the face of the fact that wool has been imported free of duty during this period.

Some of the above imports can be specified as follows, the figures being for the first ten months of each year:

	1894.	1895.
Woolen goods, ...	\$13,981,398	\$49,899,717
Cotton goods, ...	19,896,801	29,717,006
Silk goods, ...	20,982,366	27,555,042
Glass and glassware, ...	4,604,204	6,412,670
Chemicals (dutiable), ...	9,477,944	11,377,619
Iron and Steel, ...	16,899,995	21,071,156
Knit goods, ...	4,567,109	8,010,272
	\$90,409,817	\$154,043,482
Wool, pounds, ...	83,223,270	211,057,038

¹Gold and Silver.

*Imports of
woolen
goods.*

As the largest increase among the manufactures has been in woolen goods, the following table of imports of specific articles is given that the reader may see just what kind of woolen manufactures we are deprived of. The imports for the last four years are given:

IMPORTS OF WOOLEN GOODS—TEN MONTHS, ENDING OCTOBER 31.

ARTICLES.	1895.	1894.	1893.	1892.
Carpets, ...	\$ 1,356,307	\$ 614,421	\$ 1,266,327	\$ 1,303,718
Clothing, ...	1,296,219	673,088	948,374	1,200,057
Cloths, ...	21,807,899	4,775,874	10,683,294	11,803,471
Dress Goods, ...	19,528,051	6,566,170	12,834,060	15,250,431
Knit Goods, ...	1,988,340	503,669	1,183,362	1,273,161
Shawls, ...	370,264	69,553	227,220	273,280
Yarns, ...	1,632,852	236,388	536,639	566,933
All other, ...	1,919,785	542,235	901,710	1,003,886
Total, ...	\$49,899,717	\$13,981,398	\$28,580,986	\$32,674,937

*Exports
and im-
ports of
wool and
woolens.*

The following table, showing our exports of wool and woolens compared with the increased imports, exposes the utter unsoundness of free trade contentions. This result proves one of two things, either that the advocates of free trade in dealing with this question wholly misjudged the effect of low duties and free wool, or that the free raw material argument has been from the beginning a deception:

EXPORTS OF AMERICAN WOOL AND WOOLENS FOR THE CALENDAR YEAR 1895.

Wool, raw, 5,706,708 pounds, ...	\$689,874
Woolens:	
Carpets, 312,987 yards, ...	176,061
Flannels and blankets, ...	33,454
Wearing apparel, ...	354,290
All other, ...	219,080
Total manufacture, ...	\$782,885
Total exports, 1895, ...	\$1,472,759
Total imports, 1895, ...	94,024,500
Net adverse trade balance, ...	\$92,551,741

Our wool clip in 1890 was 309,000,000 pounds; in 1893 it had increased to 364,000,000 pounds; but with free wool it had fallen in 1895 to 264,000,000 pounds, a decrease of 100,000,000 pounds and a destruction of 5,000,000 sheep. The total value of our sheep in 1892 was \$116,000,000, and \$66,000,000 in 1895, a loss of \$50,000,000. In 1890 we imported 105,431,285 pounds of wool; in 1895 the imports had increased to 248,989,217 pounds. The benefit British manufacturers and exporters have derived from the reduced duties on woolen goods and from free wool, will appear from the following table taken from the American Economist, February 7, 1896:

A YEAR'S EXPERIMENT WITH FREE RAW MATERIAL.—IMPORTS OF WOOL AND WOOLEN GOODS.

Imports of wool, etc.

ARTICLES.	Protection. Twelve months, ending December, 1894.		Free Trade. Twelve months, ending December, 1895.	
	Quantities.	Value.	Quantities.	Value.
Wools, hair of the camel, goat, alpaca, and other like animals, and manufactures of.				
Unmanufactured, pounds:				
Class 1, clothing, free, ...	19,602,007	\$ 3,287,589	126,435,569	\$19,657,912
Class 1, clothing, dutiable, ...	12,931,532	2,028,330		
Class 2, combing, free, ...	4,747,735	924,657	18,757,042	4,092,656
Class 2, combing, dutiable, ...	898,885	241,493		
Class 3, carpet, free, ...	46,791,611	4,149,620	103,796,606	10,019,591
Class 3, carpet, dutiable, ...	30,764,990	2,630,823		
Total imports of wool, free, ...	61,141,413	\$13,262,412	248,989,217	\$33,770,159
Total imports of wool, dutiable, ...	44,595,407			
Rags, noils and wastes, free, pounds, ...	4,028,901	489,467	18,174,321	1,949,819
Rags, noils and wastes, dutiable, pounds, ...	142,040	43,843	2,543,787	809,659
Wools, hair of the camel, goat, etc., continued.				
Manufactures of:				
Wool, carbonized, dutiable, pounds, ...			250,265	64,960
Carpets and carpeting, dutiable, square yards, ...	333,623	784,481	873,558	1,428,684
Clothing, ready made, and other wearing apparel, except shawls and knit goods, dutiable, ...		744,740		1,401,370
Cloths, dutiable, pounds, ...	7,214,810	6,104,793	40,070,143	25,281,668
Dress goods, women's and children's, dutiable, pounds, ...	38,183,519	7,549,522	30,143,137	22,549,485
Knit fabrics, dutiable, ...		612,484		2,305,849
Shawls, dutiable, ...		83,391		426,047
Yarns, dutiable, pounds, ...	450,796	280,919	3,651,550	1,783,268
All other, dutiable, ...		649,042		2,318,483
Total imports of woollens, ...		\$16,809,372		\$60,319,301

This accounts for the prostrate condition of our woolen mills. Not only is our market being flooded with woolen goods of the kind stated above, but under the reduced duties on shoddy imposed by the Gorman-Wilson bill, another serious difficulty is met with, as shown by the following:

	Pounds.
Total imports of shoddy under four years of McKinley bill, ...	1,352,421
Under last year of McKinley bill, ...	143,002
Under first year of Gorman-Wilson tariff, ...	17,666,563

This will prove very interesting reading to those who have heard Democratic speakers in recent campaigns lament the use of shoddy. The

effect of this will be seen when it is found that one pound of shoddy takes the place of three pounds of wool; so that this increased importation alone has displaced 50,000,000 pounds of American wool. This added to the imports of wool itself, will make nearly 200,000,000 pounds of American wool displaced in one year. Our farmers, manufacturers and laborers have lost in both ways by this legislation. They lost \$227,000,000 by a decline in exports in the first sixteen months, and over \$100,000,000 in increased imports of goods that should have been made at home.

Exports.

Comparing our foreign trade during the calendar year ending Dec. 31, 1895, with that during the fiscal year ending June 30, 1892, we find that our exports have fallen off \$208,000,000. This diminution has occurred in our dealings with Europe, from which competing imports have increased by over \$100,000,000.

EXPORTS OF AMERICAN PRODUCTS.

To	1892.	1895.
Europe, ...	\$841,087,922	\$627,975,133
North America, ...	101,463,351	108,604,088
South America, ...	32,573,922	33,526,538
Asia, ...	19,581,056	17,248,920
Oceanica, ...	15,274,896	13,106,351
Africa, ...	5,035,162	6,377,763
All other countries, ...	715,702	700,340
	<u>\$1,015,732,011</u>	<u>\$807,539,133</u>

Comparing our foreign trade in agricultural produce during the first year of the Gorman-Wilson bill with the first year following the McKinley bill, we find that imports have increased over \$55,000,000, while exports have declined over \$69,000,000, as shown by the following tables:

AGRICULTURAL IMPORTS.

	Last Year of McKinley Law.	First Year of Gorman-Wilson Law.
Animals, ...	\$966,359	\$2,121,524
Breadstuffs, ...	2,297,027	2,895,297
Eggs, ...	161,328	341,284
Flax, ...	1,101,347	2,545,610
Feathers, ...	910,981	3,077,915
Fruits, ...	4,659,364	5,335,499
Hay, ...	846,739	1,658,331
Hemp, ...	266,352	632,468
Hides, ...	10,480,562	24,623,269
Hops, ...	582,875	601,188
Provisions, ...	1,824,709	2,037,535
Rice, ...	2,566,089	3,497,166
Seeds, ...	2,361,813	7,146,504
Tobacco, ...	13,005,715	14,389,381
Vegetables, ...	3,083,400	3,858,770
Wool, ...	6,299,934	32,589,791
Totals, ...	<u>\$51,414,844</u>	<u>\$107,343,522</u>

EXPORTS.

Hay, ...	\$ 924,916	\$ 800,000
Hops, ...	3,752,213	1,849,898
Vegetables, ...	2,072,974	1,775,551
Oilcake and meal, ...	9,442,045	8,070,032
Seeds, ...	8,038,558	2,972,242
Corn, ...	31,207,331	19,032,404
Wheat, ...	67,793,499	52,339,232
Flour, ...	78,062,212	59,226,244
Provisions, ...	169,831,131	155,493,282
Totals, ...	\$371,124,879	\$301,558,885

Wages.

The greatest hardship inflicted on the people by this legislation is found in the reduced wages and lack of employment to which our wage-earners have been subjected. During the summer of 1895 the American Protective Tariff League made an investigation to determine the average number of hands employed in different industries, during the first half of the years 1890, 1892, 1894 and 1895, together with the percentage of wages paid, the rate of 1890 being taken as a full standard. Almost 500 reports were received from eighty-five different industries. The returns upon the comparative number of hands employed showed the following result, as stated by the American Economist:

These returns show that the same industries employed 9530 more hands in 1892 than in 1890, an increase of 12 per cent. In 1894 they employed 24,081 hands less than in 1892, a decrease of 26 per cent; in the early part of 1895 they employed 11,756 more hands than in 1894, but 12,325 less hands than in 1892, and 2795 less even than in 1890. For 1895 the employment of labor shows an increase of 17 per cent as compared with 1894, a decrease of 13 per cent as compared with 1892, and a decrease of 3 per cent as compared with 1890.

As to the reduction of wages the American Economist also said:

These facts show that the average of wages paid in 1892 was 5 per cent higher than in 1890; in 1893 it was 16 per cent less than in 1890, and 21 per cent less than in 1892; while for the 1895 period the average rate of wages paid was 14 per cent less than in 1890, 17 per cent less than in 1892, and only 2 per cent greater than in 1894. While those reported "advances" in wages have been diligently announced in the cases of the few industries that have been enabled to make them, nothing has been heard of the far more numerous other instances wherein the wage-earners have not been so fortunate.

Comparing the effect of this measure upon the wage-earners of the country with the effect of the McKinley bill, as shown by an investigation made by the Protective Tariff League, the American Economist said:

These results can be briefly tabulated as follows:

MCKINLEY CENSUS OF 1892.

Extra hands employed, ...	37,285
New capital invested, ...	\$40,000,000

INDUSTRIAL CENSUS, OCTOBER, 1893. SINCE NOVEMBER, 1892.

Decrease in labor, ...	60½ per cent
Decrease in wages, ...	69 per cent
Decrease in business, ...	47.2 per cent
Number of hands out of work, ...	101,763
Total loss in weekly wages, ...	\$1,202,851.36
Average decrease in rate of wages, ...	\$2.35 per week

INDUSTRIAL CENSUS, OCTOBER, 1894. SINCE 1890 CENSUS.

Decrease in labor, ...	30 per cent
Decrease in wages, ...	45 per cent
Decrease in product value, ...	44 per cent
Decrease in cost of material, ...	44 per cent

WAGES AND LABOR CENSUS, SEPTEMBER, 1895.

*Wages
under pro-
tection and
free trade
compared.*

COMPARISON WITH	Labor employed. More (+) or less (-).	Wages paid. More (+) less (-).
1890, ...	— 3 per cent.	—14
1892, ...	—13 per cent.	—17
1894, ...	+17 per cent.	+ 2

From this last investigation it is apparent that the industrial condition of the United States has retrograded more than half a decade. Six years have elapsed since the taking of the census of 1889, and we find that 3 per cent less labor is employed now than then, also that labor earned this year at the rate of 14 per cent less wages than in 1889. The results, as applied to the whole country, appear in the following exhibit:

CENSUS OF 1890.

INVESTIGATION OF 1895.

Wages earned, ...	\$2,283,216,529—14 per cent,	\$1,963,566,215
Hands employed, ...	4,712,622— 3 per cent,	4,571,243

The result of a Democratic administration and a free trade fanatic Congress is that labor was earning \$300,000,000 less this year than in 1889. We have to thank the more conservative Democratic Congressmen that the result was not worse.

The reduction in wages and loss to the laborers of the country have not been confined to those directly employed in manufactories, but have extended to all branches of employment. Yet the specific reductions in wages have not occasioned so much loss as the lack of employment which has prevailed in the building trade, transportation and every other branch of business.

The persistency of the panic is shown by the report from Bradstreet giving the failures during the years of 1894 and 1895 as follows:

*Failures in
1894 and
1895.*

SECTION.	Number of Failures.		Liabilities.	
	1894.	1895.	1894.	1895.
Eastern, ...	1,784	1,686	\$18,790,018	\$19,914,153
Middle, ...	3,018	3,082	51,493,787	51,239,432
Western, ...	2,885	3,218	30,138,654	32,727,634
Northwestern, ...	1,247	1,324	15,201,215	19,216,225
Southern, ...	2,202	2,185	21,285,698	24,811,939
Pacific, ...	1,182	1,180	10,608,257	9,211,208
Territories, ...	403	338	2,077,805	1,721,854
United States, ...	12,721	13,013	\$149,595,434	\$158,842,445

TRADE FAILURES.

Under Cleveland, 1894, ...	12,721
Under Harrison, 1892, ...	10,034
Cleveland's extra "Industry of the Sheriff,"	2,687

This is the largest number of failures reported since the record was commenced in 1879, excepting those which occurred in 1893.

The returns made by Bradstreet, showing the bank clearings in eighty-three cities, during ten months of 1892 compared with ten months of 1895, show a falling off of over \$7,000,000,000. The figures are as follows:

BANK CLEARINGS, TEN MONTHS TO OCTOBER 31.

SECTION.	1892.	1895.
New England, ...	\$4,790,036,183	\$4,518,691,568
Middle, ...	33,965,804,047	28,181,467,985
Western, ...	1,886,617,431	1,713,486,517
Northwestern, ...	5,472,972,197	4,771,271,425
Southwestern, ...	1,665,789,528	1,712,239,391
Southern, ...	1,552,748,083	1,402,658,651
Far Western, ...	1,097,654,857	819,829,133
Total United States, ...	\$50,401,622,326	\$43,119,644,670

The Gorman-Wilson bill, although designed as a revenue measure, has failed to provide the government with sufficient funds to pay its running expenses. The receipts of the government have constantly diminished

*Increase
of the
national
debt.*

The
national
debt.

until the deficiency has reached about \$74,000,000. The details are as follows:

1894.	Receipts.	Expenditures.	Deficit.
September, ...	\$22,621,228	\$30,323,018	\$7,701,789
October, ...	19,139,240	32,713,039	13,573,800
November, ...	19,411,403	28,477,188	9,065,785
December, ...	21,866,136	27,135,460	5,269,324
1895.			
January, ...	27,804,399	34,523,447	6,719,047
February, ...	22,888,057	25,696,035	2,807,978
March, ...	25,470,575	25,716,957	246,382
April, ...	24,247,836	32,990,676	8,742,839
May, ...	25,272,078	28,558,213	3,286,136
June, ...	25,615,474	21,683,029	*3,932,445
July, ...	29,069,697	38,548,063	9,478,366
August, ...	28,952,696	32,588,184	3,635,488
September, ...	27,549,678	24,320,481	*3,229,196
October, ...	27,901,748	34,503,425	6,601,677
November, ...	25,986,503	27,199,283	1,212,780
December, ...	26,288,937	25,814,317	*474,620
1896.			
January, ...	29,237,670	32,696,830	3,459,159
Totals, ...	\$429,323,353	\$502,487,650	†\$74,164,296

* Surplus. † Net deficit.

While this has occurred, the administration has continually borrowed money and increased the national debt. From March 1, 1869, until March 1, 1893, the Republican party reduced the national debt as follows:

March 1, 1869, ...	\$280,430,492
March 1, 1873, ...	403,948,484
March 1, 1877, ...	65,204,017
March 1, 1881, ...	73,646,781
March 1, 1885, ...	480,161,982
March 1, 1889, ...	341,448,449
March 1, 1893, ...	236,527,666

Total reduction, ... \$1,881,367,873

While Republican administrations were debt reducing administrations, the reverse has been the case since Mr. Cleveland was inaugurated. By March 1, 1895, the national debt had been increased by \$105,328,774, and on December 1, 1895, \$57,273,470 were added, making a total increase of \$162,602,245, to which has since been added \$100,000,000. This amount is exclusive of the increased interest account which must necessarily follow. While the Republican party during this time paid off an average of \$5,701,114 each month, the Democratic party since it came into power, has increased the national debt by \$7,502,921 a month.

In March, 1893, when the Republican party turned the government over to Mr. Cleveland it left a considerable surplus in the treasury and a gold reserve of \$100,000,000 unimpaired. In the short space of three years the surplus has been wiped out, the gold reserve has been invaded, and obligations, including the deficiency and principal and interest of the increased national debt, of over \$522,000,000 have been incurred. But this is only a small part of the injury inflicted by the brief free trade period which the Democratic party has given to the people.

However great our loss may be in foreign commerce, and our national finances, it is insignificant when compared with the disasters which have befallen our home trade, and the want and suffering it has brought to the firesides of our wage-earners. The closing of mills, the enforced idleness of labor, the bankruptcy and ruin of business men, have made the loss to the whole country incalculable. Our manufactures in 1890 amounted to \$9,370,000,000. It is safe to say that had the Republican measure of 1890 remained in force, by January, 1896, they would have reached over \$12,000,000,000. While at the close of 1892 they amounted to at least \$10,000,000,000, it has been estimated by careful and reliable authorities that in 1895 the products of our factories did not exceed \$5,000,000,000, a falling off of nearly one-half. As nearly 90 per cent of this represents the earnings of labor, it will be seen how seriously the masses of our people have been affected by less than two years of low tariff. What the result would have been had the Wilson bill as it left the House become a law, it is difficult to estimate. That the ruin would have been more widespread and complete, cannot now be seriously questioned. But as it is, no further demonstration is necessary at least with this generation, to expose and condemn the fallacies of free trade. Every free trade prediction and promise which has been made to the American people during the past ten years, is unfulfilled. Instead of our farmers getting better prices for their farm produce, and shipping their wheat, corn, pork, etc., in larger quantities to Europe in exchange for clothing and wares, our gold has been exported in payment for imports of these commodities, while our farmers have been left with a diminished home market, seeking in vain for a ready sale of their produce. With free wool and low duties, our woolen industry is prostrate, and our mills are idle, while those of England are busy flooding our markets with fabrics which formerly were made by our own labor. With imports of competing commodities increasing, our exports are declining. Instead of capturing the markets of the world, the world is taking possession of our market.

Notwithstanding that wages have been reduced to adjust our manufacturing to the conditions imposed by reduced duties on imports, yet our mills are running on short time and many of them are closed. The country has been constantly filled with idle workmen, the incomes of our

*Effect on
the home
trade.*

*Persistence
of the
depression
of industry.*

people have been diminished and the depression in trade has been so persistent that thousands of business men have struggled along on the borderline of failure, while others, unable to withstand the loss of trade, have been forced into bankruptcy.

Soon after the passage of the Gorman-Wilson bill, it was predicted that times would revive and the Democratic press of the country put forth its greatest endeavors to inspire the people with confidence and bring about a revival in business. Each recurring month our business men have looked forward to that long hoped-for event, but in vain. The fall trade did not respond, again the spring trade and the summer trade were no better, until two years have rolled by and the situation remains the same. This condition of business has occurred in the midst of abundant harvests, with all our natural resources, rich soil and favorable climate unimpaired, and in spite of the genius, energy, industry and perseverance of our people. It has been finally demonstrated that it does make a difference after all, which party is in power and what commercial policy the nation pursues. Had it not been for the fact that the elections of 1894 and 1895 were carried overwhelmingly by the Republican party from Maine to California, and that the prospect existed of a restoration of the policy of protection, bankruptcy would have become universal.

The argument for free raw materials.

It has been a common contention of free traders during the recent agitation of this question, that they desired to secure to our manufacturers free raw materials, that they might thereby manufacture cheaper and compete with foreign producers in the markets of the world. That this claim is a sham is perfectly apparent. The agents of the Cobden Club were not sent to the United States to aid in enabling our manufacturers to divide the markets of the world with British producers. The endorsement which the free traders of the United States have received from the British press, and the courtesies and compliments bestowed upon Chairman Wilson at a banquet tendered to him in England shortly after the adjournment of Congress, for the distinguished services which he had rendered the cause, certainly ought to be proof that our foreign rivals have no fear that Mr. Cleveland and his associates will confer upon the manufacturers of the United States any advantages which will conflict with British interests.

It has been the policy of the protectionists to place on the free list every article of raw material the like of which cannot be produced at home. They also regard our mining and agricultural interests as productive industries and entitled to the same consideration under the policy of protection, as any other. Our manufacturers have been given free raw silk, rubber, hides, chemicals and dye stuffs, which are not produced here; and by the act of 1883 any citizen who desired to manufacture for export trade, could import all raw materials for that purpose at a duty of 10 per cent, which was reduced by the McKinley bill to 1 per cent. Under

these conditions we have a right to say that no valid basis exists for the free raw material claim so persistently urged by Mr. Cleveland.

But what are raw materials? When the free trader speaks of free raw materials he is using a deceptive term unless he qualifies it as he always fails to do. Iron ore and coal at the mill are not raw materials. Wool is not raw material, cotton is not raw material. They are the embodiment of human labor. For the sake of a convenient expression, however, we use the term "raw material," meaning the material which forms the basis of an industry. The term is relative. Henry C. Carey in his manual of Social Science said:

All the products of the earth are in turn finished commodity and raw material. Coal and ore are the finished commodity of the miner, but the raw material of pig iron. The latter is the finished commodity of the smelter, yet only the raw material of the puddler, and of him who rolls the bar. The bar is again the raw material of sheet iron, and that, in turn, becomes the raw material of the nail and the spike.

Some writers use the term as applying to such crude materials as have gone through no process of manufacture whatever, but it would be difficult to draw the line. It matters not what we call raw material so long as we bear in mind the labor that has been expended on it. The daily paper that costs but one cent may be raw material for the mill that converts it into other grades for further use, yet millions of dollars and years of labor have been spent in its preparation.

Knowing full well that the American people would not adopt free trade at one stroke the cunning free trader proposes to start with free "raw material," leading up to a gradual extermination of all industries. This he freely admits. The value of our total products of manufactures in 1890 as given by the census was about \$9,000,000,000, the value of material used \$5,000,000,000. The "raw material" then was worth more before the last process of manufacture than it gained in becoming the last finished product. Supposing for the moment then, that the free trader were willing to stop with free so-called raw materials, more than one-half of our industries would close, more than one-half of our workmen would be thrown out of employment, more than one-half of our wages would be lost. By reducing the wages of the less than one-half of employees that remained, we might sell a few things in Europe, Asia and Africa. We could not sell to England or Germany or France or Russia or Italy or Spain, or to any of the countries which manufacture for themselves. We could not sell in other markets unless we reduced wages to less than those paid by countries now selling in these markets. The real fact is we would simply become a bankrupt nation at the mercy of any power which thought it worth the while to absorb us. The whole thing is an absurdity, a bubble of the utmost transparency. Every blow at any manufacture whether it be coal that gives employment

*Fallacy
of the free
trade argu-
ment in
regard to
free raw
materials.*

to the miner or the rail that keeps the puddler at work, whether it be wool that adds to the farmer's income or the cloth that gives work to the tailor, is a direct blow to labor and the laborer. While the census value of so-called raw material is but a little more than half the value of the finished product it will hardly be disputed that at least three persons are engaged in producing the so-called raw material to one engaged in producing the last finished product. Even if it were a benefit to import this so-called raw material free of duty *per se* it is contrary to sound economic doctrine, it is contrary to common sense, to throw three men out of employment to benefit one even were the one to be benefited. With the markets of the world hardly worth the taking into account in comparison with our own which consumes not only all we can produce in times of prosperity, but millions of dollars' worth of foreign productions as well, and with three-fourths of this market made powerless to purchase, how long would the one-quarter of our people engaged in the last manufacture have employment? It is a physical, natural and economical impossibility for our twenty millions of workmen all to be engaged in making the last finished product. Suppose our 10,000,000 farmers could leave their farms and make plows, who would use the plows? Suppose a million miners could leave the mines and make picks and shovels, who would use the picks and shovels? The whole framework here falls to the ground.

But to take another phase of the free traders' argument. We are told that the raw materials (here the word is used in the strict sense as meaning coal and ore and wool and cotton) are dearer than if we imported them free. They may be or they may not be. Suppose they are, what does it matter?

Take a locomotive worth \$20,000. How much was the raw material, strictly speaking, worth? \$200 perhaps. The \$20,000 is all labor and ability. How much is a pound of flaxseed worth? A few cents. It is put into the ground, the harvested thread is made into cambrics, laces and embroideries, some of which are worth \$100,000 a ton. Take a telescope worth thousands of dollars or a printing press worth the same amount, or an ocean steamship worth \$2,000,000: how much did the raw material cost? Comparatively little. They are simply monuments of labor and genius, and the highest genius and best paid labor on earth is found in our country and a protective tariff has created, fostered and maintained them.

Protection is not partial legislation, it is complete. We do not protect our heads and let the rest of our bodies go bare. There would soon be no body for the head to rest on. Every member from head to foot must have equal care and so must every member of our industrial body. All are interdependent. The interests of the miner should be of equal concern with those of the skilled artisan. The farm hand is as important to our industrial life as the mill hand. The question then of free "raw material" is a question of labor and wages, a question solely of industrial life or death.

If, however, there were in any instance any advantage in importing materials that enter into the making of a finished product, if by so doing any manufacturer could sell that product in a foreign market in competition with foreign manufacturers, then he may do so to his heart's content, for he can even now import that material free of duty save one per cent of its cost. But we have free raw materials without importing them. Have we gained the markets of the world with the last finished product? Cotton is free. Hides are free. Silk is free. Rubber is free. How does the balance of trade stand in the manufactured articles? The following table will show:

Free raw materials have not increased our exports of manufactured goods.

RAW MATERIALS, DUTY FREE.	Importation of Manufactured Goods, 1890.	Exportation of Manufactured Goods, 1890.
Cotton, ...	\$32,012,359	\$11,113,431
Hides, ...	12,563,183	12,275,470
Paper stock, ...	2,898,448	1,239,420
Silk, ...	41,085,990	65,011
Total, ...	\$89,459,980	\$24,693,332

It will be seen that we import more than three times as much as we export of the manufactured products from these free "raw materials."

Our exports of cotton goods, boots, shoes and leather in 1860 amounted to \$12,391,630, or 37½ cents per capita. In 1880 they amounted to \$16,653,080, or 33 cents per capita. In 1890, to \$21,331,495, or 34 cents per capita. Wherein are we capturing the markets of the world with "free raw material?" The whole theory is a free trade delusion, an economic fallacy, a practical failure; there is not a particle of benefit to be derived, there is nothing but loss of labor, loss of wages, loss of manhood, loss of life. The contention is a deception and humbug, because the ultimate purpose is to withdraw protection from the finished product as well and subject it to ruinous competition under free trade. The desire is no stronger for free wool than it is for free woolen goods.

The chief contention of the free traders of to-day in the United States is that so-called free raw material will give us increased foreign markets. We have had free wool for a year, with the result that we are not only losing foreign markets, but losing our own as well.

It will be instructive in this connection to see just what value foreign markets would have for us if we could gain them to the exclusion of every competitor. The total imports of all other countries besides our own in 1888, as gathered from the latest or most reliable statistics available, amounted to \$7,569,000,000. This sum represents the total markets of the world—Europe, Asia, Africa, North and South America, Australia, and all the islands of the sea. The

following figures will show the value of our own market to our producers in 1890:

American manufactures, ...	\$9,054,435,337
American farm products, at least	7,000,000,000
Foreign goods, ...	789,310,409
Total, ...	\$16,843,745,746
We exported of all products, ...	845,293,828
American market, ...	\$15,998,451,918
Foreign markets, ...	7,569,000,000
American over all available foreign markets, ...	\$8,429,451,918

*Little hope
of gaining
foreign
markets.*

It will be seen that the American market is worth more than twice as much to us as all foreign markets combined, even if we could possess them exclusively. It would be the height of folly, then, to sacrifice our home market to gain the foreign. But can we gain any more of the foreign market than we now possess? Surely we have gained nothing so far under a year of free trade. On the contrary, we have lost to the extent of over \$200,000,000. We can look for no increased sales of manufactures to Great Britain, "the workshop of the world," where the cost of production is but little more than half of ours, and as for increased sales of agricultural products a study of Table No. 31, on pages 760-1, will show the growing competition our farmers are now having from all parts of the world. Although the table has been confined to English imports of agricultural products a similar exhibit could be made for France and Germany. It will be seen to what extent our exports of wheat and corn to England have fallen off, while her purchases from Russia and the Argentine Republic have increased. The following table will show the competition of wheat in recent years:

ENGLISH IMPORTS OF WHEAT—QUANTITIES.

FROM	1892. Bushels.	1893. Bushels.	1894. Bushels.
Russia, ...	8,144,240	18,782,377	31,412,560
Germany, ...	1,131,692	675,893	1,334,746
United States, ...	63,255,251	60,223,982	46,028,723
Argentine Republic, ...	6,470,045	14,645,095	24,774,683
Australasia, ...	3,764,779	4,833,897	7,237,846

France grew more of her own wheat supply in 1894 than in 1892, buying 25,000,000 bushels less from the United States and more from Russia and the Argentine Republic.

Germany bought 12,000,000 bushels less from the United States in 1894 than in 1892 but bought considerably more from Roumania, Russia, and the Argentine Republic, her purchases from the latter country increasing by about the same quantity as her purchases from the United States

decreased. France and Germany too are competing successfully with England in manufactures as are other countries. This has been proven conclusively in preceding pages. We cannot then hope to sell to countries whose own productions are increasing, whose wages are less, and hours of labor longer.

Go where we will under present conditions there is no market to gain on the face of the globe. Other nations are not only producing for themselves, but are also looking for foreign markets, and particularly for a portion of the greatest market on earth, the American market. This market has been created and built up under protection and can be retained only by a continuance of protection. Already in a single year of partial free trade we have lost over \$100,000,000 of it, which has been gained by foreign producers. If we had gained foreign markets to the extent of our loss it would not have been so great a sacrifice, but we lost \$200,000,000 worth of foreign markets while losing \$100,000,000 of our own.

In the words of Lord Salisbury in a speech made in Hastings, England, in May, 1892 :

We live in an age of a war of tariffs. Every nation is trying how it can, by agreement with its neighbor, get the greatest possible protection for its own industries, and at the same time the greatest possible access to the markets of its neighbors. The weapon with which they all fight is admission to their own markets—that is to say, A says to B, "If you will make your duties such that I can sell in your markets, I will make my duties such that you can sell in my market." But we begin by saying we will levy no duties on anybody, and we declare that it would be contrary and disloyal to the glorious and sacred doctrine of free trade to levy any duty on anybody for the sake of what we can get by it. It may be noble, but it is not business. On those terms you will get nothing, and I am sorry to have to tell you that you are practically getting nothing.

The struggle for markets.

And yet this is precisely what our free traders would do. They would take our only weapon and put us at a disadvantage with all the world. A disadvantage that cannot be overcome except in one way : by reducing our wages to the level of our competitors. Even that would not gain for us the foreign markets so much sought after. It would only enable us to hold our own. It is a most serious matter to contemplate, and it concerns the wage-earner and farmer far more than the manufacturer. The question of a home market is of paramount importance to the American agriculturist. He can find no increased market abroad. The world has been searched in vain. He must therefore depend on the home market, and to be of value that market must be maintained by American wages. But President Cleveland and other free traders have raised a doubt of the worth of our home market by asserting that we have already shown a capacity for producing far more than there is a home demand for. It is not difficult to ascertain the truth about the matter. We have but to go back to the year 1892, the year of greatest production the

Great extent of the home market.

TABLE

Table Showing Imports of Agricultural Products

Compiled from "Annual Statement of

Marginal Number.	ARTICLES.	United States.	Denmark, Sweden and Portugal.	Holland.	Germany.	France.
		1894.	1894.	1894.	1894.	1894.
1	Number of oxen, bulls, cows and calves, ...	391,932	.	.	.	.
2	Number of sheep and lambs, ...	198,138	65,439	.	.	.
3	Number of horses, ...	4,843	1,802	1,129	4,685	.
4	Wheat, bu., ...	46,028,723	.	.	1,334,746	.
5	Barley, bu., ...	3,534,419	.	.	1,973,832	.
6	Oats, bu., ...	124,315	2,771,120	665,590	2,001,312	.
7	Corn, bu., ...	19,142,124	.	.	381,582	.
8	Rye, bu., ...	32,760	.	.	98,134	.
9	Apples, bu., ...	1,441,657	64,567	504,740	50,492	.
10	Potatoes, bu., ...	.	162,535	451,901	154,045	1,493,305
11	Onions, bu., ...	17,767	283,671	1,088,610	227,175	697,620
12	Wheat flour, corn meal, etc., lbs., ...	1,814,667,274	.	.	27,825,840	57,882,496
13	Buckwheat, lbs., ...	.	.	2,146,032	.	8,711,248
14	Beans and peas, lbs., ...	42,683,312	24,038,000	10,463,152	47,827,696	.
15	Rice, lbs., ...	390,432	369,928	40,688,704	27,557,184	.
16	Bacon and hams, lbs., ...	407,284,976	94,209,248	2,650,592	.	.
17	Beef, fresh and salted, lbs., ...	225,193,496	.	.	68,656	.
18	Meat, fresh, salted and preserved, lbs., ...	.	2,045,456	34,641,600	785,909	926,464
19	Pork, fresh and salted, lbs., ...	17,306,802	7,298,596	15,171,632	.	1,026,304
20	Butter, lbs., ...	3,359,550	153,395,488	18,497,584	15,428,560	17,560,240
21	Oleomargarine, lbs., ...	6,352,774	.	120,008,224	2,246,944	4,921,952
22	Cheese, lbs., ...	75,302,864	.	33,453,616	858,704	5,932,528
23	Eggs, doz., ...	677,096	12,321,111	308,840	31,371,088	22,778,551
24	Lard and artificial lard, lbs., ...	159,168,694	101,360	592,480	.	.
25	Honey, lbs., ...	679,056	.	.	107,520	104,048
26	Oranges and lemons, bu., ...	92,482	177,632	.	.	21,756
27	Fruit, cherries, plums, etc., bu., ...	50,215	75,597	585,322	353,510	1,092,735
28	Fruit, dried, raw and preserved, lbs., ...	7,809,046	265,516	.	.	4,113,164
29	Pickles and vegetables, preserved, gals., ...	113,911	.	1,172,990	25,152	568,356
30	Succades, fruits preserved, lbs., ...	1,508,976	145,040	151,424	99,904	2,665,264
31	Vinegar, gals., ...	.	.	49,473	3,979	68,877
32	Sauces and condiments, lbs., ...	176,935	.	.	1,470,972	292,705
33	Milk, condensed and preserved, lbs., ...	186,100	.	19,271,100	637,800	25,737,500
34	Sugar, unrefined, lbs., ...	2,375,072	7,441,168	20,064,688	564,863,376	120,537,872
35	Sugar, refined, lbs., ...	1,681,680	.	213,785,152	962,692,528	330,758,736
36	Sugar, glucose, solid and liquid, lbs., ...	.	.	544,922	11,118,576	2,296,448
37	Sugar, molasses, lbs., ...	104,980,848	.	.	2,240,224	.
38	Tallow and stearine, lbs., ...	82,136,432	.	1,663,312	4,535,776	3,952,480
39	Hops, lbs., ...	20,370,448	.	2,930,638	1,349,936	669,760
40	Hay, tons, ...	12,289,872	.	13,540	1,899	6,206
41	Seeds, lbs., ...	152,423	5,042	.	.	.
42	Cotton, raw, lbs., ...	29,523,243	318,976	5,898,232	9,162,966	12,479,796
43	Wool, lbs., ...	1,393,089,040	1,022,560	249,872	399,544	479,136
44	Hemp, lbs., ...	579,298	4,052,511	968,052	2,128,786	17,627,660
45	Hides, lbs., ...	6,050,240	.	.	21,521,920	358,400
46	Feathers, lbs., ...	8,310,400	2,473,744	5,914,832	7,847,952	8,583,344
47	.	309,231	98,000	218,252	806,139	1,062,398

No. 31.

into the United Kingdom for the Year 1894.
the Trade of the United Kingdom."

British North America and British East Indies.	Russia.	Belgium.	Argentine Republic, Australasia, Italy and Egypt.	All Others.	Total.	United States Per Cent of Total.	United States Per Cent of Total.	Marginal Number.
1894.	1894.	1894.	1894.	1894.	1894.	1885.	1894.	
82,323	.	.	.	11,185	485,440	36.9	80.7	1
135,622	.	.	.	85,398	484,597	1.6	40.9	2
5,424	.	.	.	4,983	22,866	1.8	21.2	3
15,264,798	31,412,560	.	32,011,661	4,947,383	130,999,871	39.5	35.1	4
.	45,391,133	.	.	22,541,648	73,441,032	.9	4.8	5
252,909	38,927,831	.	1,229,590	837,411	46,810,078	11.1	.3	6
1,558,990	17,296,892	.	1,067,388	31,283,110	70,730,086	61.9	27.1	7
52,866	1,619,998	.	.	214,694	2,018,452	.	.2	8
1,081,859	.	.	.	1,825,654	4,968,969	56.5	29.0	9
1,899,236	.	158,893	.	186,421	4,506,336	.	.	10
.	.	266,099	1,400,793	1,316,777	5,298,512	.	.3	11
141,460,816	8,607,088	.	28,061,264	147,044,486	2,225,549,264	72.7	81.5	12
135,968	3,639,216	.	.	475,552	15,108,016	.	.	13
109,011,856	65,214,016	.	375,246,480	160,067,504	843,552,016	9.1	5.1	14
443,140,616	.	1,369,536	596,176	67,822,732	581,935,308	.	.07	15
34,162,128	1,109,024	.	.	355,488	539,771,456	80.0	75.5	16
305,648	.	.	35,174,704	2,155,696	262,898,200	95.1	85.7	17
552,160	.	4,658,304	255,938,401	5,566,512	342,628,178	26.2	10.9	18
862,624	.	3,425,520	236,768	70,784	45,399,030	58.1	38.1	19
194,656	8,870,512	4,253,424	32,815,108	4,096,400	258,381,522	2.4	1.3	20
.	.	182,448	135,520	1,257,536	135,105,398	.	4.7	21
127,915,648	.	4,025,952	6,090,000	228,928	253,808,240	46.1	29.6	22
2,376,304	12,786,284	27,578,535	.	653,893	110,851,702	.	.6	23
2,112,768	.	116,144	.	139,440	162,230,886	91.9	98.1	24
.	.	.	199,920	1,265,376	2,355,920	.	28.8	25
.	.	.	1,705,791	5,885,333	7,882,994	.	1.2	26
.	.	915,768	10,152	1,448,812	4,532,111	.	1.1	27
2,496,866	.	.	26,764,225	44,693,130	86,141,947	6.1	9.1	28
.	.	35,068	58,070	5,790	1,979,367	.	5.8	29
5,048,844	.	143,248	820,176	4,057,648	14,640,524	4.9	10.3	30
.	.	90,984	.	2,539	215,852	.	.	31
926,043	.	.	266,689	2,113,870	5,247,214	.	3.4	32
.	.	3,217,700	109,300	3,787,000	52,946,500	.	3.0	33
141,961,120	34,698,496	79,901,136	35,826,672	554,379,444	1,562,049,044	.2	.2	34
.	14,572,656	37,799,888	.	526,064	1,561,816,704	42.8	.1	35
.	.	11,424	.	.	118,952,288	3.6	88.3	36
1,914,864	.	.	.	9,298,016	95,599,536	76.4	85.9	37
.	.	3,585,762	167,266,512	4,435,424	205,809,744	24.4	9.9	38
.	.	3,765,664	.	179,760	21,185,630	39.9	58.0	39
29,729	28,882	3,887	.	12,666	254,214	.	59.9	40
52,731,284	12,177,312	2,112,220	722,977,854	140,876,075	988,257,958	1.9	3.0	41
54,371,072	1,103,312	634,592	256,488,960	80,287,424	1,788,116,512	79.9	77.9	42
42,394,599	7,398,544	6,511,236	513,321,008	131,523,371	726,505,065	.1	.08	43
15,130,000	21,313,600	.	24,091,200	114,132,480	202,557,840	5.9	3.0	44
23,674,960	689,696	13,604,976	21,726,880	22,585,584	115,412,368	2.6	7.2	45
60,747	.	4,197	11,538	1,289,096	3,971,015	4.6	7.2	46

The home market.

United States has ever known. In that year every manufacturing establishment in the country was running at full time, and many night and day. Not a cotton mill was idle. New ones were built, and old ones extended, and yet we could not supply our own wants, but bought \$30,000,000 worth of cotton goods abroad. The year was the most prosperous the woolen industry has ever known, and yet we had to buy \$38,000,000 worth of woolen goods abroad. Our silk mills worked to their full capacity, and yet besides the home production we bought \$33,500,000 worth from Europe and Asia. Our iron furnaces were in continuous operation, yet we used not only our own product, but bought \$33,000,000 worth of the product of foreign mills.

Our leather establishments produced the largest amount of goods in their history, yet we went abroad and purchased \$14,000,000 worth more. Our glass and glassware factories never knew a greater output, yet it was not equal to the demand, and \$8,500,000 worth was bought abroad; and so we might go through a list of hundreds of articles including woodenware, earthenware and pottery, chemicals, paper, tin, clocks and watches, furs, garments, etc., till we found that in 1892, the year when our mills were worked as they had never been worked before, they were not able to supply the demand, and we bought nearly \$400,000,000 worth abroad. To be sure some of the products of our mills in 1892 went abroad. We exported \$158,000,000 worth of manufactured products, but much of this was oils and flour, leaving considerably less than \$100,000,000 worth of factory products. So that we bought nearly \$300,000,000 worth of manufactures in addition to what we made.

Had the McKinley bill remained in force till now we should no doubt be able, nearly or quite, to supply our wants. The new and extended mills would have taken men from the farms, and labor would have been so adjusted as to give the greatest advantage to all. The increased number of mill hands would have given the farmer a greater and better market, and he would not have to consider as a competitor, the wheat grower of Russia or the Argentine Republic. More of our cotton would have been consumed at home to the triple advantage of planter and manufacturer and consumer of the fabric. Our sheep would have increased in number, and a ready market for our wool been found in the increased production of our mills. The increased transportation for cotton and cotton goods, for wool and woolen goods, would have resulted in increased railroad facilities, creating a demand for rails and other iron products, which in time would give added employment to the miner. And so we might go through the interminable network of our interdependent industries, showing how each strengthens the other, how each added fabric of the factory makes a demand for the product of the farm, the latter in turn demanding increased employment at the mill and mine.

After the dismal failure of "tariff reform," of which we are now having experience, it is scarcely necessary to pursue the subject further. The free traders have proven themselves to be the most incompetent and unreliable body that has been entrusted with power since the government was formed. Lacking the capacity to govern, incapable of comprehending the needs and wants of the people, and unwilling to take advice from the leaders of the Republican party, who have afforded them the greatest lessons in statesmanship to be found in recent history, their public career will be short.

There are, however, several propositions which have been urged with such persistency that their consideration will not be out of order. They assert that notwithstanding the fact that wage-earners of the United States receive much higher wages than those paid in the old world, manufacturing can be carried on more cheaply here than there. This assertion is contrary to the opinions of experienced manufacturers, not only in the United States, but in Great Britain and Europe.

Comparative wages in the United States and foreign countries—Glass.

Hon. Joseph D. Weeks, of Pittsburg, Pa., an experienced statistician, shows that the cost of making a box of fifty feet of window glass is \$1.08 in Belgium, and \$1.96 in the United States. Mr. E. H. Hitchcock, of St. Louis, Mo., after showing that the Belgians work longer hours and for much lower wages in making plate glass, said: "In Europe the founder turns 2600 feet against the American 2000 feet; there is a difference of over 30 per cent right there. Take the men who cast glass. The day's work for this gang is forty-eight pots abroad, while in this country a corresponding gang casts twenty pots as a day's work."¹

Mr. Thomas W. Bradley, of Walden, Orange County, N. Y., one of the most experienced knife manufacturers in the United States, gave the following evidence before the Ways and Means Committee upon the relative cost of pocket cutlery.²

Cutlery.

Mr. Bradley: It does not relate at all to edge tools, as that is utterly impossible. I wish to impress upon the committee this fact in regard to what we ask. It is impossible for us to enhance the value of cutlery to consumers. This exhibit practically illustrates it (showing knife). This is a one-bladed, three-and-a-quarter knife. That knife cost a little over \$1.00 per dozen to make—call it \$1.00 for illustration. The labor cost of that is a fraction over seventy-nine cents—call it eighty cents for illustration. The material cost twenty cents. In Germany the labor for making that knife would be a little less than one reich-mark.

Mr. Breckinridge: How much is it of our money?

Mr. Bradley: About twenty-two cents. Adding the cost of material, twenty cents, and the duty, it would make it about sixty cents, which would require a duty of 141½ per cent, on that knife in regard to the labor item alone.

George C. Hatch, of Bridgeport, Conn., said: "I have figured the total cost of labor in Germany and here, and as near as I can figure it,

¹ Tariff Hearing, 1893, p. 229.

² Id., 1889-90, p. 75.

it stands, Germany fifty-eight cents, as against \$1.66 here on a single dozen knives."¹

W. O. Whitcomb, of Derby, Conn., who withdrew from a concern in England and started a similar business here, in speaking of the cost of metallic bedsteads, said: "The wages we are paying our men will average \$2.00, \$3.00 and \$4.00 per day. They work on piece work, and the same men (on the other side) would get from \$4.50, \$5.00 and \$6.00 a week. They do not do any more work here than on the other side."²

As to the costs of cotton yarns, Arnold P. Sanford, of Fall River, Mass., said:

*Textile
manufac-
tures.*

As an illustration of the higher cost of labor we have in our midst in Fall River a new industry, which has recently been located there for the manufacture of spool cotton. I refer to the Kerr Thread Company. In an interview with their superintendent who has worked for over twenty-five years in English cotton spinning mills, and also their secretary, who has had a large experience, they informed me that the labor in the American mills costs them fully 60 per cent more than the same labor would cost the same mill in England. Their superintendent further informed me that the efficiency of the English laborer as compared to the American, in his opinion, was superior. And he said, emphatically, that the employees in his American mills could not do any more labor than the employees of his mills that he had run in England. In fact, the English employees if anything, excelled them in efficiency and superiority of work, so that so far as regards our industry the laborers in our American mills cannot perform any more work than those in similar mills in England.³

As to hosiery and underwear Owen Osborn said: "The cost of making hose in Germany as compared to this country, is as one mark to \$1.00, and the efficiency of labor is the same in both countries."⁴

"The cost of dressing a ton of flax," says John Wilson, of Newark, N. J., "is \$66.66 here, while the cost in Great Britain is \$36.66, which is the highest wages paid abroad."⁵

With reference to woolen goods, Charles H. Clark, of Philadelphia, Pa., said:

A man engaged in the knitting industry in Philadelphia who has just returned from Chemnitz, one of the greatest industrial towns on the Continent, told me the other day that a person who gets \$2.50 and \$3.00 a day in a knitting mill in Philadelphia gets \$2.50 and \$3.00 a week in Chemnitz, and that a little girl that gets seventy-five cents a day gets seventy-five cents a week in Chemnitz, and that there they work eleven hours a day, whereas we work ten hours. I should think that the productive results of labor would be a little more perhaps in Chemnitz as they work eleven hours where we work ten hours, and sometimes work on Sundays. Our mills in Philadelphia have a great many Europeans in them, and those Europeans, I think, with the same machinery will do about the same amount of work as the Americans, and they earn just the same wages.⁶

¹ Tariff Hearing, 1893, p. 420. ² Id., p. 471. ³ Id., p. 699. ⁴ Id., p. 753. ⁵ Id., p. 808.
⁶ Id., p. 946.

"If you will take the gross of buttons made in Bohemia," said A. C. Raymond, of Detroit, Mich., "and sell it in America, for say, the actual cost of seventy-nine kr. per gross, you could sell it in America for about thirty-two cents and take the thirty-two cents of the United States money, exchange it for Austrian money, and you will get more than seventy-nine kr. of Austrian money, so you will see that the Austrian or Bohemian manufacturer can sell his buttons in America for less than half what the buttons cost to make here, and still he will make a profit."¹

Leopold Moritz, of Philadelphia, Pa., said: "Bone buttons were imported in 1889 for less than we paid in wages to make them. The labor paid for a great gross was ninety cents. Similar foreign buttons cost about eighty-five cents to land here."²

Philip Hagan, of Youngstown, O., in speaking of bar and wrought iron, said:

I wish to tell you the difference between the puddlers in England, when I worked there, and the prices now. I went to work for ten hours a day for twenty cents. When I advanced to the position of boiler in a furnace I received 5s. per day. It was 6s. and 6d. in 1869. I received there for puddling \$1.20 or 5s. for 3000 weight; and here I receive \$3.80 for 2750 weight. That is the present price. Wages in Belgium are about seventy-five cents a day. We start on Monday morning and stop the furnace on Saturday night to clean it; but in Belgium they never stop as long as the furnace holds out.³

The foregoing are taken from the evidence of experienced manufacturers, given before recent hearings of the Ways and Means Committee of Congress. By the adoption of free trade we should be thrown into competition with the 38,000,000 of the United Kingdom and nearly 300,000,000 of Europe, whose artisans, after centuries of training, have been born and bred to every productive handicraft and attained a high degree of skill, taste and ingenuity in every department of manufacturing, and who are using the very best machinery, the most perfect devices and all of the modern appliances. It is a well-known fact that during the past thirty years European manufacturers have thrown aside their old machinery, refitted and equipped their plants with the most perfect machinery in the world and that they have no lack of capital at their command. With production carried on under these conditions, with efficient and skilled artisans obtainable at one-half the labor cost of those in the United States, it is utter nonsense for free trade politicians and theoretical writers to attempt to impose upon the American people by claiming that under these circumstances goods can be made cheaper in America than abroad.

Impossibility of successful competition.

An examination of the evidence of British manufacturers given before the Royal Commission on Depression of Trade and Industry, quoted in preceding chapters, shows that the chief complaint in England against the Continent is because of the longer hours and lower wages which prevail there. It is fully demonstrated that the "superior

¹ Tariff Hearing, 1893, p. 1096. ² Id., p. 1119. ³ Id., p. 341.

efficiency'' of British artisans has not saved Great Britain from an inundation of Continental goods. If the Continent is able to supplant and destroy industries in Great Britain as it is certainly doing, with lower wages and longer hours, how then would it be possible for the United States to withstand the combined Continental and British competition when the wages paid to its artisans are still higher than those paid in the United Kingdom?

Comparative labor cost.

The percentage of labor cost of commodities in the United States is often compared with the percentage of labor cost of similar commodities in the old world, for the purpose of making it appear that notwithstanding the fact that our wage rate per week is much higher, still the labor cost is no greater than in Europe and England. To illustrate this fallacy let us assume that it costs \$1.00 to produce a particular article in the United States, and that the labor cost in the last finishing process is 50 per cent, or fifty cents, and that the same article can be produced in England for one-half the sum, or fifty cents, the labor cost there of the last finished process being also 50 per cent of the total cost, which would be twenty-five cents. Hence it follows that the percentage may be the same in both countries and the labor cost still be twice as great in the United States as in England. The fallacy of this oft-repeated error consists in a failure to estimate the percentage of labor cost in the two countries upon a common basis of production. In speaking of the attempt to make such comparisons based upon the percentage of labor cost in the final process of manufacturing the Hon. Carroll D. Wright said: "There can be no comparison made as between the labor cost of articles in one country and the labor cost in another, and the attempt should not be made."

The fact brought out concerning relative labor cost might be illustrated by authorities bearing on the whole field of our productive industries. It is true of cotton goods, woolen goods, productions of iron and steel, as well as every other. Indisputable evidence shows that the high wage rate enjoyed by American over foreign labor extends to all competing industries.

Relative shares of labor and capital.

The next question, however, which arises, is the relative proportion or share of our products which goes to labor and capital respectively. Senator Roger Q. Mills, in his speech on the Wilson bill, said:

While on the subject, I want some one to explain to me, if this tax is for the laborer's benefit and not for the manufacturer's, how is it that the laborer never gets the benefit of any of it? How is it that the bounty voted by Congress never gets further than the mouth of the manufacturer? How is it that the tariff puts a tax of \$13.44 on every ton of steel rails, and yet the laborer gets less than \$3. For every ton of pig iron Congress votes to the laborer \$6.72, but he never gets more than \$1.50. For every \$1000 worth of cutlery the tariff is \$80, but he only gets \$44.

As against such bold and misleading assertions we have abundant proof to show that about 90 per cent of the cost of every commodity goes to reward the labor which produced it.

Upon this proposition we have the advantage of an official investigation recently conducted by the Hon. Carroll D. Wright, with the assistance of able statisticians, reported in the sixth and seventh annual reports of the Department of Labor, covering 118 separate industries and showing the relative labor cost in a great many commodities. The following figures compiled from the sixth annual report of the Commission of Labor, shows that in the production of one ton of pig-iron over 90 per cent of the cost is labor:

AVERAGE COST OF ONE TON (2000 POUNDS) BITUMINOUS COAL IN NINETY-NINE ESTABLISHMENTS IN THE UNITED STATES.

	Total Cost.	Total Labor Cost.
Labor direct, ...	\$0.933	\$0.933
Officials and clerks (labor), ...	.042	.042
Timber (90 per cent labor), ...	.026	.0234
Other supplies and repairs (90 per cent labor), ...	.050	.45
Taxes, ...	.007	
	<u>\$1.058</u>	<u>\$1.0434</u>
To which should be added interest, insurance, depreciation of value of plant, and royalties paid to owners of the soil, ...	.06	
	<u>\$1.118</u>	

Total labor cost 93.3 per cent.

AVERAGE COST OF ONE TON OF COKE (2000 POUNDS) IN THIRTY ESTABLISHMENTS IN THE UNITED STATES.

	Total Cost.	Total Labor Cost.
Coal for coking (93.3 per cent labor), ...	\$1.219	\$1.137
Labor direct, ...	.357	.357
Officials and clerks (labor), ...	.028	.028
Supplies and repairs (90 per cent labor), ...	.058	.0522
Taxes, ...	.005	
	<u>\$1.667</u>	<u>\$1.5742</u>
To which must be added interest, insurance and depreciation of value of plant, ...	.007	
	<u>\$1.674</u>	

Total labor cost, 94 per cent.

AVERAGE COST OF ONE TON (2240 POUNDS) OF IRON ORE IN SEVENTY-TWO ESTABLISHMENTS IN THE UNITED STATES.

	Total Cost.	Total Labor Cost.
Labor direct, ...	\$1.039	\$1.039
Officials and clerks (labor), ...	.049	.049
Supplies and repairs (90 per cent labor)	.359	.3231
Taxes, ...	.035	
	<u>\$1.482</u>	<u>\$1.4111</u>
To which must be added interest, insurance, depreciation of value of plant and royalty paid to owners of land, ...	.17	
	<u>\$1.652</u>	

Labor cost 85.4 per cent.

AVERAGE COST OF ONE TON (2240 POUNDS) OF LIMESTONE IN SIX ESTABLISHMENTS IN THE UNITED STATES.

	Total Cost.	Total Labor Cost.
Labor direct, ...	\$0.307	\$0.307
Officials and clerks (labor), ...	.022	.022
Supplies and repairs (90 per cent labor), ...	.041	.037
Taxes, ...	.007	
	\$0.377	\$0.366
To which must be added for royalty to owners of soil, ...	.053	
	\$0.430	

Total labor cost 85 per cent.

COST OF CONVERSION OF 3990 POUNDS OF COKE, 5810 POUNDS IRON ORE AND 4528 POUNDS OF LIMESTONE INTO 2240 (ONE TON) POUNDS OF PIG IRON.

	Total Cost.	Total Labor Cost.
Labor direct, ...	\$1.595	\$1.595
Officials and clerks (labor), ...	.175	.175
Supplies and repairs and taxes, 90 per cent labor, ...	.530	.477
	\$2.300	\$2.247

Total labor cost, 97.6 per cent.

COST OF TON (2240 POUNDS) OF PIG IRON BASED ON FOREGOING COST OF MATERIAL.

	Total Cost.	Total Labor Cost.
5810 pounds of iron ore (85.4 per cent labor), ...	\$4.28	\$3.66
4528 pounds of limestone (85 per cent labor), ...	.887	.754
3990 pounds of coke (94 per cent labor), ...	2.97	2.792
Transportation of above (90 per cent labor), ...	1.697	1.567
Conversion of above into 2240 pounds of pig iron (97.6 per cent labor), ...	2.30	2.247
	\$12.134	\$11.020

Total labor cost 90.8 per cent.

Labor cost in the production of iron, steel, cotton goods, glass, etc.

In the same way it could be shown that over 90 per cent of the cost of a ton of steel rails or bar iron, or any product of iron and steel, is labor. We also have the opinion of the Hon. Abram S. Hewitt, based on his experience as a miner and manufacturer of iron. In 1848 he said:

The value of every manufacture *is made up entirely of the wages paid to produce it*. Coal and iron in the mines cost nothing. They are the free gifts of God. But they are excavated by the pick and shovel of the workman; by him they are wheeled, carted, boarded to market; by the workmen they are carried to mill; by the workman the furnace is heated and charged; by him the iron is puddled, rolled, put up for the market, carried thither and sold. It is labor, labor, labor that constitutes every addition to the value of the article, and it is the man who bestows that labor who should enjoy the fruits thereof.

This, of course, was a general statement, but Mr. Hewitt has since stated that the labor cost of all iron products is over 90 per cent. John Roach, the great ship builder, stated that careful estimates and experience show that the value of iron, beginning to estimate it at the mine, is composed of wages to the extent of 95 per cent on the average.

Of cotton goods Edward Atkinson said:

If the subject is analyzed, first, as a whole, and, second, in each department, it will appear that at the present time the proportion of profit which can be set aside from the sale of coarse cotton goods sufficient to cover profits in all the various departments of the work, is less than 10 per cent of the wholesale market value of the product, and 90 per cent is the absolute share of the laborers who do the work both in respect to materials used and to the finished product.¹

In the seventh annual report of the Commissioner of Labor² we find the cost of production of window glass in thirty-seven establishments, the figures for the first being as follows, the second column of figures being the writer's:

	Total cost of production.	Total labor cost.
Materials (90 per cent labor), ...	\$12.486	\$11.237
Direct labor, ...	101.439	101.439
Officials and clerks (labor), ...	5.300	5.300
Supplies and repairs (90 per cent labor), ...	2.098	1.888
Fuel (90 per cent labor), ...	12.541	11.287
Taxes, ...	1.095	
	<u>\$134.959</u>	<u>\$131.151</u>

Per cent labor cost 97.

The same principle, if extended to transportation, would measurably hold good. The largest item of cost in constructing and operating railroads is that which goes into the pockets of the men who do the work. The labor cost of every commodity, which begins with the first human effort expended upon the raw material, is repeated over and over again, and follows the commodity through all the processes of production and distribution until it reaches the consumer. This is also true of the farm products, and every article of necessity and luxury. This being true, the importance of augmenting the \$16,000,000,000 of products of our mines, factories and farms, becomes apparent. As Abram S. Hewitt said, "it is labor, labor, labor."

*Labor the
chief ele-
ment in
cost of pro-
duction.*

What share goes to capital? While it is true that enormous fortunes have been made by the Goulds, Vanderbilts, Rockefellers and others in railroad speculation, in mining gold, silver, iron and coal, in controlling oil fields, and in a great variety of enterprises connected with the marvelous development of our country which has taken place during the last third of a century; yet the profits of those engaged in industries directly affected by a protective tariff have only been fair and reasonable.

¹ Distribution of Products, p. 122. ² Vol. I., p. 228.

Profits.

In fact out of seventy multi-millionaires named by a free trade writer, only four can be said to have amassed their wealth in protected industries.

Official investigations which have been made of the profits of manufacturers in the State of Massachusetts and other New England States, disprove the charges which have been industriously circulated by the allies of the Cobden Club against our manufacturers. The following is from the Home Market Bulletin of Boston for August, 1891:

One of the most important documents ever issued by the Massachusetts Bureau of Statistics of Labor is Part IV of the report for 1880, which came out July 21, 1891. It deals with "Net profits in manufacturing industries," and though it is bulky—(630 pages)—the deductions are concisely stated by Hon. Horace G. Wadlin, chief of the bureau, in the introduction. We will summarize the most important.

He obtained reports from 23,431 establishments, covering 64 different industries and representing 75.45 per cent of the capital and 70 per cent of the products of Massachusetts factories. Only 10,013 reported as to net profits, and of this number 9251 made a profit.

A Massachusetts manufacturer, on the average, out of every \$100 invested puts nearly \$24 into land, buildings and fixtures; \$23 into machinery, implements and tools; has about \$35 in cash for working capital, and borrows \$18 more to supplement his cash capital. He has \$47 out of every \$100 invested in his plant, and with \$53 in cash or borrowed money he carries on his business. The net profit was arrived at by the following deductions, determined upon after careful consideration:

Interest on cash and credit capital, 5 per cent; depreciation in the value of machinery, implements and tools, 10 per cent; allowance for selling expenses, losses and bad debts, 5 per cent.

RATES OF PROFIT.

After these deductions were made, 58 out of 64 industries exhibited a net profit. The excess of selling price above cost of production amounts, on the average, to \$12.95 in each \$100 worth of manufactured product. If from this \$12.95 excess are deducted the following: \$2.15 for interest, \$1.90 for depreciation of machinery, implements and tools, and \$5 for selling expenses and to make up the losses from bad debts, there will then remain a net profit of \$3.90, which is equivalent to 4.83 per cent on the amount of capital invested, or an annual return of \$4.83 upon each \$100 of invested capital.

The results on the percentage basis, says Mr. Wadlin, for net profit, show that in few industries, if any, can the profits be called exorbitant, all things considered; for we find the largest percentages of net profit in the small industries, while large industries involve small profits and sometimes large losses. As to the general result for all industries, no one, he thinks, will maintain that the percentage of net profit is excessive.

The facts contained in the official report referred to have been confirmed by Edward Atkinson, General Draper and other statisticians who are competent to speak on the subject.

There is free competition in the investment of capital. The profits on capital in all countries are largely fixed by international competition. The surplus of a nation flows into those countries where the highest rate

of interest and profits can be obtained. Citizens of the United States desirous of borrowing large sums of money go to England or the Continent of Europe, where they can obtain it at the lowest rate. Capital has become so abundant that the competition between lenders and the struggle on the part of borrowers tend to adjust interest and profits to a common level. Means of communication have become so perfected and the security afforded capital through permanently established governments and wise laws has become so absolute, that capital seeks investment in all countries with more freedom and greater safety than ever before. So long as this condition exists, it is sheer nonsense to talk about "robber barons" or "monopolists" in any department of productive industry that is open to the investment of capital by the citizens of the United States. Men will not stand idly by and see their neighbors amassing fortunes in any industry which is equally open to them, so long as money can be borrowed in any part of the world, at reasonable rates of interest.

If our cotton manufactories were making profits above this normal level, capital would at once be invested in the construction of cotton mills, competition increased and profits reduced. This is true of every branch of manufacturing in the United States. Cases can be cited in which manufacturers have made fortunes which are greatly in excess of this rate; but when the facts are ascertained, these will be found to be exceptions arising from the holding of patents for new inventions or those in which an industry promoted by able and sagacious men, has suddenly developed before the profits made are generally known. Our industries have now nearly all passed through the speculative stage and have become adjusted to conditions which do not admit of excessive profits. Capital is becoming so abundant, and the number of bright, active business men so great, that neither trusts nor combinations can effectually resist the competition of capital which flows into every productive industry as soon as it is discovered that large profits are being made. The operation of this law of competition in capital is found in the steady decline in prices which has taken place.

That by reason of the high wage rate which prevails in the United States, it costs more to produce commodities here than it does to make similar articles by the lower paid labor of Europe, there is not the slightest question. Nor can we doubt that our tariff policy maintains this high wage rate, and in this way increases the cost of production over what it would be if the wages of our laborers were reduced under free trade. If this constitutes a tax on consumers, then the tariff is a tax.

*Is the
tariff a
tax?*

But the free trader says that the duty is added to the *home cost* of production, and hence each consumer is compelled to pay an amount equal to the *home cost* price, based upon our wage rate with the duty added. Although the contention is not so definitely stated, yet the free trader

*Effect of
a tariff on
prices.*

intends to be so understood. It is a well known fact that competition among our own producers keeps the price of commodities down to the cost of production, based upon our wage rate and fair profits to manufacturers, entirely regardless of the rate of duty which may exist. This is proven by the steady decline in prices which has taken place since 1860. It is also shown by comparing the retail price of many commodities with the tariff. The following table was prepared by Hon. John Ford, while he was editor of the American Economist, from actual purchases made by him in the retail stores of New York City, in 1892. It was published in the American Economist of that year. While this list might be greatly extended, it sufficiently disproves the free trade assumption:

ARTICLES:	Duty.	Price.
Wire nails, ...	\$0.02 per lb.	\$0.01 $\frac{5}{100}$ per lb.
Hand-saw files, ...	.75 per doz.	.48 per doz.
Salt, ...	.33 $\frac{1}{2}$ per bbl.	.28 per bbl.
Bunting, ...	.22 per yd.	.20 per yd.
Lead pencils, ...	.60 per gross	.45 per gross
Chewing tobacco, 2 oz. pkg., . .	.06 per pkg.	.05 per pkg.
Playing cards, ...	.50 per pack	.19 per pack
Tissue paper, ...	.65	.58
Calico, ...	.05 per yd.	.3 $\frac{3}{4}$ @ 5 per yd.
Cotton and woolen challies, . .	.09 $\frac{1}{2}$ per yd.	.07 per yd.
Shirting prints, ...	.05 per yd.	.05 per yd.
Six-pound wool blankets, . . .	1.38 each	1.32 each
Carpets, ...	.64 sq. yd.	.50 sq. yd.
Cheviots, ...	.65 sq. yd.	.42 sq. yd.
Ladies' wool dress goods, . . .	.20 $\frac{3}{100}$ yd.	.16 $\frac{4}{100}$ yd.
Smyrna rugs, ...	2.80 each	2.49 each
Calico aprons, ...	.05 per yd.	.04 $\frac{1}{2}$ per yd.
Workingmen's shirts, ...	.05 each	.05 each
Flannel shirt, ...	.80 each	.69 each
Boys' pants, ...	.43 each	.27 each
Cotton handkerchief, ...	.05 per yd.	.04 per yd.
Moquette rug, ...	1.05 each	1.00 each
Blanket, ...	.95 each	.90 each
Cloak (cheap), ...	5.13 each	3.98 each
Comfortable, cotton wool, . . .	1.31 each	1.00 each
Workingmen's trousers, ...	.92 each	.89 each
Boys' suit, ...	1.24 each	1.20 each
Girls' dress, cotton and wool, .	1.79 each	1.80 each
Working girls' dress, ...	4.13 each	3.98 each

While this principle holds good with articles produced in our own country, the prices of which are influenced by home competition, it is not true of those commodities which we are necessarily compelled to buy abroad. A duty on coffee, tea or sugar is added to the price which the consumer is compelled to pay. The protectionists, however, admit such commodities free of duty. It is sometimes suggested that if calico costs five cents a yard in the United States, and only three cents a yard in

England, a duty of five cents a yard is two cents higher than there is any necessity for. While this may be true, if the excess is not added to the cost price in the United States, it harms no one. But this is not the point of contention. Protectionists do not favor the maintenance of duties higher than the conditions of competition require. The successive revisions of tariffs made by protectionists since 1860 have reduced duties and adjusted them to new conditions. But the controversy does not arise over such duties. While the protectionists are only attempting to maintain duties high enough to afford adequate protection to labor and capital, the "tariff reformers" are seeking to reduce the duties below that point, in order that the consumers of the United States may be able to buy manufactures in those countries where they can be made and purchased the cheapest, regardless of the effect which such purchases will have upon our domestic industries.

In concluding this brief review of the triumph of free trade it is unnecessary to attempt to point out the many lessons which it teaches. Under the plea of helping the farmer, under the claim that consumers would be benefited; under the pretence that our foreign trade would be extended, the manufacturing industries were stricken down. The calamities which have befallen the people should ever stand as a warning against a repetition of the mistake which the American people made in taking advice from visionary and sham reformers. It has been demonstrated that the farmer cannot destroy the manufacturer without inflicting an injury upon himself. The laborer cannot ruin the business of his employer without losing his job. It proves that injury cannot befall any one great branch of production without bringing disaster to every other line of industry within the borders of our country. The industrial life of the nation is like a great temple resting on pillars, no one of which can be torn out without bringing the whole structure down on the heads of all. It is the dependence of one industry upon another which binds them all together and makes protection necessary for all, as Roscoe Conkling said in his great speech in New York, September 17, 1880: "From the wheat fields of Minnesota through the pastures of Texas there is not an acre whose fertility does not benefit New York, nor could she profit by the misfortune or poverty of a hamlet in all our borders."

CHAPTER VII.

ECONOMIC DISCUSSION.

Nations pay little regard to the rules and maxims calculated in their very nature to run counter to the necessities of society.—*Alexander Hamilton, The Federalist, No. 25.*

Perhaps the best argument I can make for protection is to state what it is and the principles on which it is founded.

Man derives his greatest power from his association with other men, his union with his fellows. Whoever considers the human being as a creature alone, by himself, isolated and separated, and tries to comprehend mankind by mathematically adding these atoms together, has utterly failed to comprehend the human race and its tremendous mission. Sixty millions even of such creatures without association are only so many beasts that perish. But sixty millions of men welded together by national brotherhood, each supporting, sustaining, and buttressing the other, are the sure conquerors of all those mighty powers of nature which alone constitute the wealth of this world. The great blunder of the Herr professor of political economy is that he treats human beings as if every man were so many foot-pounds, such and such a fraction of a horse-power. All the soul of man he leaves out.

Think for a moment of the foundation principles involved in this question, which I now ask. Where does wealth come from? It comes from the power of man to let loose and yet guide those elemental forces the energy of which is infinite. It comes from the power of man to force the earth to give her increase, to hold in the belling sail the passing breeze, to harness the tumbling waterfall, to dam up the great rivers, to put bits in the teeth of the lightning. Foot-pounds and fractions of a horse-power will never do this. It takes brains and the union of foot-pounds and fractions of a horse-power working harmoniously together.

To grasp the full powers of nature, to reap the richest wealth of the world, we must utilize the full power of man, not merely muscles and brains, but those intangible qualities which we call energy, vigor, ambition, confidence and courage. Have you never remarked the wonderful difference between a sleepy country village, lying lazily alongside an unused waterfall, where more than half the energy of the people was lost for lack of the kind of work they wanted to do; where, whenever three men met together in the road, the rest looked out of the windows, idly wondering what the riot was about, and that same village after the banks were lined with workshops and the air was noisy with the whirl of the spindles, and every man was so eager to work, that there never seemed hours enough in the day to tear from the powers of nature their imprisoned richness? If you have, you have also seen the contrast, between men left to themselves, so many foot-pounds and fractions of a horse-power, and men incited by hope, spurred on by ambition, and lighted on their way by the confidence of success.

For a nation to get out of itself or out of the earth all the wealth there is in both it is not necessary for the nation to buy cheap or sell dear. That concerns individuals alone. What concerns the nation is how to utilize all the work there is in man, both of muscle and brain, of body and of soul, in the great enterprise of setting in motion the ever-gratuitous forces of nature. How shall you get out of the people of a nation

their full powers? Right here is precisely the dividing line. The let-alone school say leave individual man to his own devices. The protectionist school say let us stimulate combined and aggregated man, to united endeavor.—*Speech of Hon. Thomas B. Reed, in the House of Representatives, May 19, 1888.*

THE MERCANTILE SYSTEM.

The economic policy pursued by nations prior to the nineteenth century was known as the Mercantile System. From the history of nations given in the preceding chapters of this work, it has been shown that it embraced a mixture of ordinances and decrees for the accomplishment of two purposes: (1) the development of domestic industries; (2) the raising of revenues for the support of the governments. To accomplish these ends, subsidies, bounties, premiums, duties on imports and exports were resorted to, as well as special privileges (or monopolies), which were granted to individuals, both to induce them to engage in and carry on industries, and as a means of raising revenues. It is from these licenses granted to favored individuals, which excluded all others from participating in a particular trade or industry, that the claim originated that protection builds up monopolies. While it is true that monopolies were increased and fostered under the Mercantile System the charge is unfounded when applied to protection as now advocated and practiced. The legal definition of monopoly, as given by the Standard Dictionary, is as follows:

Nature of the Mercantile System.

An exclusive license from the government for buying, selling, making or using anything; called also *artificial monopoly*. From this sense are excepted patent and copyright laws, for the encouragement of art and letters, and restrictions for the benefits of the community on the sale of liquor.

Hence it follows, that in earlier years when the exclusive privilege was given to the East India Company to engage in the trade with India; when the sole right was conferred upon an individual to carry on the business of smelting iron by the use of pit coal; when the French Government, to induce a Hollander to establish the woolen industry in France, gave him the exclusive rights to carry on the business and control the market in certain districts, monopolies were created. That this policy, which was first introduced for the purpose of encouraging trade and industry, was afterwards grossly abused by being used as a means of enriching the king, has been pointed out. It should be noted that as capital increased and the commercial classes became more numerous and the necessity of resorting to such extreme measures as an inducement to the establishment of industries and commerce, passed away, the mercantilists abandoned the granting of monopolies, the extinction of which has not been due to the influence of free trade writers, but to changed conditions. Understanding what constitutes a monopoly, we must admit that the policy of protection, which gives no exclusive privilege to particular

Monopolies.

*False basis
of modern
free trade
criticism
of the Mer-
cantilists.*

individuals and excludes no citizen from availing himself of its advantages, should not be classed as favoring or promoting monopolies. The use which the advocates of free trade are making of this expression, is not justified, but is simply the misapplication of the term for the purpose of arousing prejudice.

In treating of the Mercantilists it is common among free trade writers to attempt to convey the idea that their main purpose was to encourage exports and discourage imports for the sole purpose of creating a favorable balance of trade, and thereby to keep bullion and specie in the country, under the mistaken notion that the precious metals alone constitute wealth. The most important end sought to be secured by the Mercantilists during the seventeenth and eighteenth centuries was, to encourage the development of domestic manufactories; for this purpose imports were restricted to prevent ruinous competition from foreign rivals.

Exports were often prohibited to aid in the development of home industries. For instance, Great Britain prohibited the export of wool in order to force its consumption in domestic woolen factories, while at the same time, imports of woolen goods were prohibited and the people were compelled, by parliamentary enactments and royal decrees, to wear domestic fabrics. While it was necessary to resort to severer measures to promote the industries of a country in those times than are required now, as a means of advancing the material prosperity of nations the policy was successful.

The criticism which modern free traders make on the Mercantilists for prohibiting the export of bullion is found to be unjustifiable when the conditions under which trade was then carried on, are understood. It has been pointed out that prior to the Middle Ages the Roman Empire, in carrying on trade with Asia, had little which the Asiatic people desired, to give in exchange for the luxuries and fabrics of the East; hence, the settlement of balances each year resulted in a constant drain of the precious metals from the Roman Empire, to the extent, as Mr. Merivale informs us, of \$800,000 a year. During the Middle Ages the same conditions existed between Western Europe and Asia. When the trade was opened by way of the Cape of Good Hope with India, the imports of tea, spices, and luxuries of the East greatly exceeded the exports thereto from Western Europe, and it was not until the cotton manufactories became extensive and the people of England and Western Europe began making fine furniture and other articles for which there was a demand among the wealthy classes of the East, that an exchange of products could be made sufficient to prevent a constant drain of the precious metals from the West by the East. The Asiatic peoples have ever been noted for their desire for the precious metals and for the practice of hoarding gold and silver.

Up to the discovery of the new world the annual supply of the precious metals was very limited. According to Humboldt, the annual average of the supplies of gold and silver from America from 1492 to 1805 was as follows:

*The
precious
metals.*

	Dollars a year at an average.
From 1492 to 1500, ...	270,000
" 1500 to 1545, ...	3,258,000
" 1545 to 1600, ...	11,945,000
" 1600 to 1700, ...	17,375,000
" 1700 to 1750, ...	24,435,000
" 1750 to 1805, ...	38,335,000

He also estimated that the annual production of the world at the beginning of this century was, \$43,500,000 from America, and about \$5,000,000 from the mines of Hungary, Saxony, etc., and those of Northern Asia. The proportion of gold to silver in America was 1 to 46, and in Europe and Asia 1 to 40. The supply of the precious metals which had hitherto been limited, although augmented by the mines of Mexico and South America, was greatly increased upon the discovery of gold in California in 1849, and in Australia in 1851. The constant absorption of the precious metals by Asia up to the early part of the nineteenth century, continually tended to embarrass the commercial nations of Central and Western Europe. Humboldt estimated that of the production of the American mines at the beginning of this century, amounting, as is shown, to \$43,500,000, no less than \$25,500,000 went to Asia. Another writer has said:

But some years ago this immense drain began to diminish, and in 1832 and 1833 it actually set in in an opposite direction. Then for a time it fluctuated, sometimes inclining to the one side and sometimes to the other. With the exception, however, of the bullion received in payment of the \$21,000,000 due to us by China under the treaty of 1842, there was not for some years any very decided movement of bullion from Europe to the East, or from the East to Europe, though, on the whole, the imports into the latter appear to have exceeded the exports; at least this was certainly the case during the five years from 1844-45 to 1848-49, both inclusive. But more recently, or since 1850, the drain of bullion for the East set in with renewed force; and for seven years down to the crisis of 1866, the average was only £10,000,000.¹

In speaking of India and China he says: "Taking India and China together, the imports from them into this country have greatly exceeded the exports, leaving a heavy balance to be discharged by shipments of bullion."

Hence, it is apparent that the condition of trade between Asia and Western Europe made it necessary to impose restrictions on the export of the precious metals, and thereby force an exchange of goods. As, however, the trade of Great Britain increased with the United States and South America, the balance existing in favor of Great Britain was settled

*Necessity
of prevent-
ing a drain
of the
precious
metals.*

¹ Hugh J. Reid, editor of McCulloch's Dictionary, edition of 1871, p. 1129.

with a supply of the precious metals, with which to meet the demands of the East. Again, as England had become the distributor of tea, coffee and Asiatic commodities among the nations of the world, her merchants were able to exchange the commodities themselves, for the precious metals of the United States and other countries, with which to pay for the Eastern wares and to buy more. Understanding these conditions, the criticism of the free traders upon the means resorted to by Great Britain and other European nations, to prevent the precious metals from being drawn off, is shown to be fallacious and unwarranted. The centre of trade and commerce has, through centuries, been shifted from Eastern to Western nations.

As long as Western Europe depended on Asia for its commodities, the bullion was taken from it. As long as England depended on the Flemish and Dutch for their wares, she suffered from a drain of her precious metals. So it has been with South America, the United States and the countries of the western hemisphere. As long as they have purchased more of British, Continental and Asiatic commodities than they were able to sell commodities to pay for, the balance of trade has been against them and it has been settled by shipments of the precious metals. Instead of prohibiting the export of bullion as did the Mercantilists, the protectionists seek to avoid such results by building up domestic industries, encouraging trade at home, and thereby buying less of the foreigners, and maintaining a favorable balance of trade.

The foregoing are the principal features of the Mercantile System which call for an explanation.

PROTECTION AND FREE TRADE DEFINED.

*Protection
and free
trade.*

It was not until the early part of the nineteenth century, that economics were presented in the form of a science. "The Wealth of Nations" was followed by the works of J. B. Say, Malthus, Ricardo, James Mill, McCulloch, John Stuart Mill, and others. In 1848 John Stuart Mill collected those assumptions and alleged economic principles which had been announced by former writers, and embodied them in an economic code which embraced the principles contended for by the free trade school.

The Mercantilists had held extreme and radical views of the means by which industries could best be developed and promoted, as well as upon the system of taxation by which the public treasury should be supplied with funds. On the other hand, it should be noted that those advocating free trade carried their views to an opposite extreme. The Mercantilists and free traders represent the two extreme radical wings of economic parties, while the protectionists occupy the middle ground between the two, discarding those practices of the Mercantilists which were found to be unnecessary and injurious, and preserving and

perpetuating those principles which the experience of the past had demonstrated to be wise, just and beneficent.

This brings us to a definition of protection and free trade.

Protection.—Protection may be divided into two classes: (1) natural protection; (2) legal protection.

It has been said that "he is best protected who needs no protection at all." Natural protection may arise from a soil and climate favorable to the products of the earth, or from superior skill, or from the location or occupation in which one is engaged. The favorable soil and climate for the growth of cotton in the United States, rubber and coffee in Brazil, sugar and tobacco in Cuba, and tea, coffee and silk in Asia, are all examples. At the time that Great Britain adopted free trade, the superior skill of her artisans, the abundant capital and machinery then employed in her vast manufacturing system, afforded an advantage over other countries and secured the independence of her manufacturing industries. Occupations also sometimes afford a shield from competition and a degree of natural protection. For instance, masons, bricklayers, carpenters, compositors on newspapers, those engaged in transportation and telegraphing, are as secure as the cotton producer, so far as the occupation itself is concerned; while the operative in a woolen mill is subjected to the competition of a foreign product similar to the one he produces. While bricklayers, carpenters, etc., are classified by free trade writers as being engaged in non-protected industries, they are in fact the best protected laborers in the country; they enjoy a degree of natural protection, while at the same time they derive advantage from the legal protection extended to those who otherwise would be without any protection.

*Natural
protection.*

Labor protection signifies a system of legislation for the special protection of employees in factories, under which the employment of women and children and the length of a day's labor are restricted and regulated. It also seeks to guard the health and morals of operatives through sanitary regulations. It is under this class of legislation that truck payment is prohibited. This system of protection was vigorously opposed by Richard Cobden and John Bright, upon the ground that it was an interference with the freedom of contract and therefore in violation of the cardinal principle of free trade.

Protection secured by duties on imports has been defined by Senator George F. Hoar, as follows:¹

*Protective
duties.*

Protection, as used in our political and economic discussions, is the imposing of such duties on the importation of foreign products as will prevent a domestic producer of the same article, from having his business destroyed by the competition of the foreign import, *while* he establishes it; or will enable him to maintain the production, without its being destroyed or rendered unprofitable by the competition of the foreign article *after* it is established, when he could not otherwise so establish

¹ *Taxation and Work*, by Edward Atkinson, page 81.

or maintain it; or the enabling him to pay larger wages in such production than he could pay if he were subject to the foreign competition.

The extent of the duty imposed on each article is determined by the special circumstances connected with its production. While a duty of 20 per cent on one article may afford adequate protection, 100 per cent may be required for another; but in all cases it must be sufficient to accomplish the purpose stated. The duties are imposed to provide against a disadvantage arising from deficiency of skill, capital, machinery, or from an increased cost of production by the payment of higher wages than are paid by rival producers of the same article in other countries.

In some instances protective duties may be imposed upon articles of foreign growth, for the sole purpose of securing to domestic producers the full home market. Of this class is the duty on agricultural products in the United States. The protectionists of the United States are striving first to provide for the welfare of their own people. They believe it to be the first duty of our government to promote the moral, intellectual and material welfare of the 70,000,000 of inhabitants within our borders. This of itself is a great undertaking, and commands the greatest exertion, and involves the greatest moral responsibility and the highest conception of the attainments of humanity. They make war on no one; they are not trying to undermine and destroy the civilization and industries of other nations, by flooding their markets with wares made by degraded and half-paid labor. The protective barriers are erected as a means of defence to maintain industrial peace and tranquillity, to prevent attacks from vicious combinations and inequality and injustice.

*Object of
protective
duties.*

Our manufacturers cannot employ labor at wages 100 per cent higher than are paid to equally skilled and efficient labor in Europe, and produce articles as cheaply as similar articles are produced there. By compelling the European rival to pay to the government a duty equal to the difference in the cost of production upon placing his goods for sale in our market in competition with the home-made article, the advantage of cheap labor which he possesses is neutralized, and he is only able to enter the American market upon equal terms and conditions with the American producer. If wages in Europe should be raised to the level of those paid in the United States, so that the contest would be one purely of skill and enterprise, a different question would arise.

The essence of protection then is, that by such duties on imports, capitalists are induced to invest their money in the establishment of a greater variety of industries which give employment to a large number of people, at higher wages than otherwise would be paid, thereby providing the masses of the people with greater incomes, and making it possible to sustain a larger population, procure a wider diversity of industries, a more perfect division of labor and the attainment of a greater degree of industrial development and prosperity than otherwise

could be secured. The agriculturist exchanges his products for home manufactured goods, saving waste in transportation and securing to domestic trade the full advantage of the exchange. The result attained by this policy is the greatest triumph of political economy. By increasing the spendable income of the people, much wider fields of business are opened, a more equal distribution of wealth is assured, and the people, as a whole, in the end are enabled to accumulate more property and receive greater returns for their exertions than through the narrow and restricted development of resources permissible under free competition.

FREE TRADE.

The following definition is given by Professor W. G. Sumner:

Free Trade: The term "Free Trade," although much discussed, is seldom rightly defined. It does not mean the abolition of custom houses, nor does it mean the substitution of direct for indirect taxation, as a few American disciples of the school have supposed. *It means such an adjustment of taxes on imports as will cause no diversion of capital from any channel into which it would otherwise flow, into any channel opened or favored by the legislation which enacts the customs.* A country may collect its entire revenue by duties on imports and yet be an entirely free trade country, so long as it does not lay those duties in such a way as to lead anyone to undertake any employment, or make any investment he would avoid in the absence of such duties; thus the custom duties levied by England, with a very few exceptions, are not inconsistent with her profession of being a country which believes in free trade. They either are duties on articles not produced in England, or they are exactly equivalent to the excise duties levied on the same articles if made at home. *They do not lead anyone to put his money into the home production of an article because they do not discriminate in favor of the home producer.*¹

*Definition
of free
trade.*

The above definition, although from an eminent free trade authority, contains the assumption that an industry becomes established under protection at the expense of other employments, by drawing capital and labor from fields in which, were it not for protection, it would find equally profitable employment. This assumption presents an argument in favor of, rather than a necessary part of a definition of free trade. The free trader, then, holds that foreign manufacturers should be permitted, without restrictions and with perfect freedom, to ship all manufactured articles into the United States, and sell them in competition with American manufactures, even though such competition would result in permanently supplanting the manufacturing industries of the United States, or in reducing the rate of wages and cost of production to the level of competitors in foreign countries. This principle applies also to the imports of farm produce, as well as all raw materials, although it would have a like effect on sheep raising, mining and agriculture. It is contended that all articles should be manufactured and everything grown in those countries where the greatest facilities for cheap production exist, in order that

*The real
principles
of free
trade.*

¹ Protectionism, page 17.

everything may be produced at the lowest possible cost regardless of the effect on wages and the social conditions of the masses. No favoritism should be shown to labor by legislation, securing to it the advantage of higher wages than those paid in other countries. This is based upon the idea that all nations belong to one family, and that each country should be permitted to remain in undisturbed possession of those advantages over others in such respects as raw materials, machinery, capital, skill and cheap labor. This policy regards labor as an economic tool, to be utilized in the production of cheap commodities in the same way as raw materials, a fertile soil and a favorable climate. Those countries which can produce wheat cheapest, will supply the market; those countries which can provide manufactures at the lowest cost, will do the manufacturing for all others. It is by this system that the varied resources of the world are to be developed, and material progress is to be promoted.

It will be observed that this policy does not necessarily involve the removal of all duties on competing imports. So long as the duty is so low that it does not discriminate in favor of the home producer; so long as it does not (under existing conditions) secure to domestic labor and capital an advantage over foreign rivals; so long as it does not encourage the building of factories or the employment of labor, it is a free trade duty. A duty of 20 per cent may produce revenue; but if the foreign manufacturer of an article can pay this duty and still sell the article in our market cheaper than we can make it at our present wage rate, it is a free trade duty.

REVENUE OR TAXATION.

A country practicing free trade in applying its revenue policy, imposes duties in such a way as not to discourage imports or interfere with the free competition in products the like of which are produced at home. For instance, England, as has been stated, although practicing free trade, levies her import duties on tea, coffee, sugar, tropical fruits, tobacco, wines and liquors, and those articles which she does not produce, but which her people are compelled to buy abroad.

The protectionists admit, free of duty, all articles that cannot be produced in the United States, consisting principally of tea, coffee, rubber, raw silk, tropical fruits, dye stuffs, etc. (excepting, however, certain luxuries, such as wines, liquors, diamonds and other articles of voluntary consumption), and levy duties on those imported articles the like of which are produced at home, as cotton, woollens, and all other manufactured products which would come into ruinous competition with domestic produce; consequently, in a discussion of this question, we are compelled to use two other terms which have a technical meaning, to wit: "Free trade tariff," which signifies the mode of imposing duties on imports approved by free traders, in other words, a "tariff for revenue only;"

and "protective tariff," or the system of duties on imports favored by protectionists. Were it not for the necessity of raising revenues for the support of the government, absolute free trade would be practiced instead of maintaining a "free trade tariff." Senator Ragan, of Texas, very clearly pointed out the precise difference between a "tariff for revenue only" and a "protective tariff" as follows:

Free trade and protective tariffs.

"As long as the increase of tax secures an increase of revenue, it is a revenue tariff, but when we reach the point in any commodity where the increase of the tax reduces the revenue by excluding imports we then have a tariff that is protective."

Hence, a "tariff for revenue only" is a free trade tariff. It encourages importations and places no restrictions upon free competition. As soon, however, as the duty becomes high enough to restrict importations and secures to the domestic producer an advantage over a foreign rival, it becomes protective. In imposing duties on imports for the purpose of raising revenue, the free trader selects non-competing articles, while the protectionist fixes the duty on competing articles in order that a discrimination may be made in favor of the home industry. But it should be borne in mind that neither the protectionist nor free trader favors the raising of more revenue than is required to defray the necessary and legitimate requirements of the government economically administered. The essential difference between these two methods of raising revenue is met with in times of peace when only ordinary expenses are incurred. In times of war, however, when extraordinary means of raising revenue must be resorted to by a nation, these lines are readily departed from by both parties.

One of the chief objections raised by the free traders against the use of the system of imposing duties on imports to accomplish the double purpose of raising revenue and affording protection is, that such indirect taxation takes money out of one man's pocket for the benefit of another; that it is unjust to compel a citizen who lives on a stated income which is not liable to be diminished through the conditions of trade, to contribute in any way to the maintenance of the industrial system of the country. It should be borne in mind that the right of taxation is not based on direct benefits to the particular individual taxed, but upon the indirect benefits which accrue to him as a member of the state. It is under this principle that a citizen is taxed to maintain a public school system, departments of justice, and public improvements. A protective tariff is no more imposed for the sole benefit of those persons who own factories and the laborers who find employment in them, than the Erie Canal was constructed for the sole benefit of the boatmen who owned the canal boats, and the business men who shipped their produce to market by this waterway.

No injustice involved in the protective system.

The people of the United States contributed money for the construction of the Union Pacific and the Northern Pacific railroads, and parted

with the public domain to induce their construction, not for the purpose of the direct benefit and profit that might be derived from such enterprises by the stockholders who became owners of such corporations, but because of the benefits to the great Northwest and its people, and in order to aid in the development of the resources of the country, Large sums of money are expended every year by the Agricultural Department of the United States, to aid in the high development of that vast and important department of production. Other departments also receive similar aid. The government of the United States expends annually about \$10,000,000 for the improvement of the rivers and harbors of the country, to promote our coasting and lake traffic. Not one dollar of this money is appropriated for the sole purpose of benefiting the particular individuals who find employment in these departments, but for the general benefits which accrue to the whole country through the activity in trade and commerce thereby induced. All phases of our industrial life receive the patronage, encouragement and support of the people, uniting them together in a common bond of interest, mutual sympathy and patriotic zeal for the welfare and prosperity of the whole country.

INCIDENTAL PROTECTION.

President Polk, in his message to Congress December 2, 1845, said: "If Congress levy a duty for revenue of one per cent on a given article it will produce a given amount of money to the treasury and will incidentally and necessarily afford protection of advantage to the amount of one per cent to home manufactures of a similar or like article, over the importer."

*Fallacy of
the argu-
ment for
incidental
protection.*

The claim of incidental protection arising under these circumstances forms one of the chief deceptions practiced by those who have little understanding of the principles involved, or who are seeking to evade the real issue. It must be apparent to the reader that if it cost one hundred cents to manufacture a particular article in the United States, which could be made in England for fifty cents, and sold in our market for fifty-five cents, that a duty of one cent would cut no figure in the way of protecting the American producer. The American manufacturer would then be compelled to sell the article in competition with its foreign rival for fifty-six cents or less. In order to meet such a condition and continue in business, he must make a reduction of forty-four cents in the selling price which must come out of his own cost of production, 90 per cent of which is labor. Hence, it must be that unless the duty imposed is large enough to compensate for the difference in the cost of production it is not protective, but simply a revenue or free trade tariff. The duties levied must afford adequate protection in order to result favorably to American labor. At whatever point the duties may be fixed below what is necessary to

compensate for the difference in the cost of production, based on American wages, the result is to bring our labor down nearer to the level of foreign rivals.

TARIFF REFORM.

This is a title appropriated or misappropriated by the advocates of free trade in their recent attack on the industries of the United States. When the agitation in favor of free trade was renewed about 1880, the "Free Trade Club," of New York City, changed its name to the "Reform Club." Instead of flooding the United States with literature bearing the stamp of the Cobden Club, as had hitherto occurred, and carrying on the warfare against protection in the name of free trade, they branded their publications "Tariff Reform," and styled themselves "Tariff Reformers." Although persistently urging the doctrines of free trade, by changing their name and denying their parentage, it became more easy to deceive and mislead the American people. To the credit of Southern Democrats it should be said, that such tactics have not been practiced by them; they have stood up like men, and when they meant free trade they have said it, and have been saying it all the time. The term itself involves a begging of the entire question, for if the principles advocated by the protectionists are more beneficial, wise and just than those contended for by free traders, then legislation on the lines of the protective policy becomes "Tariff Reform" legislation. The words "free trade" were known to be so objectionable to the American people that this deceptive style of advertising was resorted to for the purpose of concealing the ultimate purpose of the movement, which was the establishment of the British system.

Tariff reform a misleading term.

The whole scheme was unmasked by Chairman Wilson himself, who, at a banquet given in his honor in England by British manufacturers shortly after the passage of the Gorman-Wilson Bill, said: "Our protectionists have been building defences to keep you and other nations from competing with us in our home market. *The tariff reformers are breaking down those defences.*"

METHOD OF TREATMENT.

The first important contention which arose between the protectionists and the free traders is found in the mode of treatment and investigation. The plan adopted by those believing in the policy of protection, was the "inductive or historical method" of inquiry. They treated the subject not only from a broader standpoint than the free traders, but with a greater degree of certainty of arriving at the truth. Every practical proposition was required by them to be established by facts. This involved full inquiry and careful investigation. It was held that "a sound and trained reason is possessed by one who has made a wide and careful survey of the facts

*Historical
method.*

which justify the reason." The fundamental ideas of the historical method are laid down by Roscher, the German philosopher, as follows:

(1) The aim is to represent what nations have thought, willed and discovered in the economic field, what they have striven after and attained, and why they have attained it. (2) A people is not merely a mass of individuals now living. It will not suffice to observe contemporary facts. (3) All the peoples of whom we can learn anything must be studied and compared from the economic point of view, especially the ancient peoples whose development lies before us in its totality. (4) We must not simply praise or blame economic institutions; few of them have been salutary or detrimental to all peoples and at all stages of culture; rather it is a principal task of science to show how and why out of what was once reasonable and beneficent, the unwise and inexpedient has often gradually arisen.¹

This method was pursued by Adam Smith in his "Wealth of Nations," by Henry C. Carey, and his followers in America, by the German economists and the more recent English and American writers. This is the practical method pursued by statesmen, lawyers, physicians, business men and scientists in reaching conclusions in all affairs brought within the domain of their work.

*The
deductive
method.*

One result of the teachings of this school has been to turn the minds of students of economic questions not only to the history of what has been said upon this subject, but also to a critical investigation of those transactions and occurrences from which all economic thought springs. We have passed from a period of speculation to one of scientific investigation of facts. On the other hand, those believing in the system of free trade have a plan known as the "deductive or metaphysical method," which has been briefly defined as "a theory based on assumption."

Professor Ingram, in his "History of Political Economy," says:

"Its deductions are based on unreal, or at least one-sided assumptions, the essential of which is that of the existence of the so-called 'economic man,' a being who is influenced by two motives only; that of acquiring wealth and that of avoiding exertion."

Relying on assumptions as the basis of their creed, they refuse to enter the domain of historical research in order to prove their soundness by the experience of nations. This mode of treatment has proven so unsatisfactory to statesmen, scholars and men of experience in ordinary affairs of life, that it has brought the metaphysical school into disfavor and it may now be said that the economic discussion which has followed, has resulted in the repudiation of this mode of investigation by nearly all economists, and even many advocates of free trade have been compelled practically to abandon it.

¹ See Ingram's History of Political Economy, p. 201.

LIMITATIONS OF THE SUBJECT.

At the outset we meet with a controversy over the scope of the inquiry. The subject of political economy is defined by an advocate of the doctrine of protection to native industry, as follows:

Henry C. Carey: "The science of the laws which govern man in his efforts to secure for himself the highest *individuality* and the greatest power of *association*."

It is apparent then, that the controversy arising between the advocates of protection and free trade, embraces not only the subject itself, which is to be considered, but the scope and extent of questions relating to it. By protectionists man is regarded as "a unit of society, a worker in business and a citizen of the state." His moral, intellectual and material welfare is taken into account. The interests of individuals are looked upon as insignificant when they conflict with the public good. This school is broad enough to comprehend those differences which appear in the races of men, as well as in the destiny and capabilities of societies and nations. It also recognizes the geographical divisions of the earth with those natural resources which may by proper direction of human effort, be utilized for the benefit of mankind.

Protectionists' view of the scope of the subject.

Those advocating free trade attempt, in the first place, to limit the functions of governments to the power of preserving order and enforcing contracts. Man is treated of as a commodity for sale in the market, or as a machine of a certain horse power. Bastiat says:

"To political economy is left only the cold domain of personal interest."

Free trade opinion.

McLeod defines it as "the science of exchange of values."

Free traders persistently attempt to limit inquiry and treatment solely to the subject of money-getting by individuals. It is from this method of dealing with the subject, arising from their conception of man as governed wholly by selfishness and animal instincts in the affairs of life, that the free trade school has been accused of advocating cold-blooded, unsympathetic rules for the government of trade and commerce. That this accusation was well founded appears in every line of their literature, in every assumption made. They persistently refuse to consider man in his relation to other men as a member of society, as well as an individual. The effort to limit the scope of the subject has brought down upon the school the condemnation of the broadest minded statesmen and philosophers of the world, and has confined its advocates to a sect of professors who, without practical experience in business, were unable to form a just estimate of human life, and to those manufacturers who, being able to manufacture cheaper than anybody else, would profit by a system which secured to them perfect freedom to carry on a warfare of destructive competition against

all rival producers of other countries, and thus perpetuate a monopoly based on cheap labor, to the injury of others.

SCIENTIFIC BASIS OF PROTECTION AND FREE TRADE.

The survival of the fittest.

The essential difference between the two systems of economics lies at the very foundation of civilization, and forms the basis of the moral, intellectual and material development of man. It is asserted by the metaphysical school that the doctrine of free trade is a science founded on a "great truth" or "natural law" or "scientific principle" of universal application. This claim has been so persistently urged that it has made a profound impression on the world. While the professional advocates of free trade constantly refer to the "great truths" and "principles" upon which their theory is founded, yet it rarely occurs that they definitely point them out. When the student of economics understands that the doctrine of free trade has its "scientific" basis in the principle of "natural selection" upon which the Darwinian theory of the origin and development of species is founded, he is then able to comprehend the subject from a scientific point of view. Freedom of trade between nations is but an application to trade, commerce and industries, of the law of "the survival of the fittest" or "struggle for existence" which Charles Darwin contended has raged since the beginning of time, in the formation of the earth and among plants, animals and men. It is contended that in this ever raging and ceaseless warfare, in which many perish and few survive, nature orders every man to his place and preserves the "fittest" and the best, and that ultimately, through this constantly recurring "survival of the fittest," advancement and progress are more surely attained.

Hence, the advocates of free trade are constantly reminding the world that it should "let nature take its course," that "freedom of action" is "the natural law." Under this principle, which is more politely known as "free competition," the industries of a country which are able to "survive" the warfare, are called "natural" industries; and the wage rate which prevails when the laborers of the world contest with each other and fight out the battle of place, however low it may be or however inadequate, is the "natural" wage rate. This is true of profits, and mode of living as well.

Edward Clodd says:¹

When the weeding process has done its utmost, there remains a sharp struggle for life between the survivors. Man's normal state is therefore one of conflict; further back than we can trace, it impelled the defenceless bipeds from whom he sprang to unity, and the more so because of their relative inferiority in physique to many other animals. The range of that unity continued narrow long after he had gained lordship over the brute; outside the small combinations for securing the primal needs of life the struggle was ferocious, and, under one form or another, rages along the line

¹ Story of Creation, pages 211-12.

to this day. "There is no discharge in that war." It may change its tactics and its weapons; among advanced nations the military method may be more or less superseded by the industrial—a man may be mercilessly starved instead of being mercilessly slain; but be it war of camp or markets, the ultimate appeal is to force of brain or muscle, and the hardest or craftiest win. In some respects the struggle is waged more fiercely than in olden times, while it is unredeemed by any element of chivalry.

It is through their adherence to this principle that the believers in the doctrine of free trade deny to society the right to attempt by positive law, through its directing and controlling power, to set limits upon the free exercise of the animal instincts and the greed and selfishness of man in this struggle. They hold that this eternal warfare should be permitted to go unbridled and rage with all its destructive fury; the weak to become supplanted and wiped out and the cunning and crafty to "survive" under the assumption that this is nature's process of evolution and progress. When applied to international competition in trade and commerce, the weapons of attack and defence are capital, skill, ability, machinery, low wages and long hours. Every means by which the cheapest production can be attained, that through a system of underselling, markets may be won and held, must be resorted to in order that one may supplant the other. This is more especially so to-day than at any other time in the history of the world, since so many competitors have entered the contest selling the same wares, and all provided with abundant capital and a high degree of skill, and the latest and best appliances and machinery, as well as with an army of trained and efficient artisans. The party to the struggle which would make fabrics the cheapest would control and hold the markets. The party to the struggle whose labor, everything else being equal, would submit to and stay in the fight on the lowest wages, and the capitalists who would submit to the smallest profits, or in fact could endure it the longest without any profits, would triumph over the others. The masses of the United States would be brought down to the level of foreign competitors; every one in the struggle would be reduced to the circumstances of the strongest and best fitted for the contest; the struggle would still be carried on, with wages and profits reduced to a minimum and the survivors would not necessarily be those who for the good of humanity ought to survive.

The let-alone policy.

"The survival of the fittest," says Drummond in his "Ascent of Man," "of course does not mean the survival of the strongest; it means the survival of the adapted—the survival of the most fitted to the circumstances which surround it. A fish survives in the water, when a leaking ironclad goes to the bottom, not because it is the stronger but because it is better adapted to the element in which it lives."

Professor Huxley says that those survive who "are best fitted to cope with circumstances."

*Scientific
basis of
protection.*

While conceding that such a struggle has been raging it is denied by many able economists and scientists that the best types of plant and animal life are necessarily produced by it. It is contended that such warfare has perpetuated the existence of many inferior forms of life and prevented the development and growth of those most beneficial to man. If it should be conceded, however, that free trade is based on this "natural law," or that the "laws of nature" are given full force under free competition, it does not follow that it should be accepted as a basis of an economic policy, or that it affords to man the best means of promoting the material development and progress of the world or of separate nations; neither does it follow that protection is unscientific and therefore to be rejected. This brings us to a consideration of the scientific basis of protection. While the scientific world recognizes the principle of "natural selection," that is selection brought about by purely physical laws, yet there is another principle known as "human selection," called by some "artificial selection," accomplished through the intellectual forces of man which is no less natural because it is human. History teaches that the progress of the world has not been secured through the let-alone policy contended for by the advocates of free trade, but that all advancement in civilization and all improvements for the benefit of man, have been made in proportion as man himself has exercised dominion over the forces of nature.

*Artificial
selection.*

During the age of man the same animals and plants have been found to exist with no perceptible change under the law stated by Mr. Darwin. We have the wild horse, the wild goat, the wild boar and the buffalo. In plant life we find the crab-apple, the wild berries, the wild grapes and wild flowers. But when we come to consider the rapid improvements and development of plant and animals, we find that it has been due not to "natural selection," but to "human selection," which is defined by the Century Dictionary as follows:

Artificial selection which means agency in modifying the principles and so changing results of natural selections. . . . This has been going on, more or less systematically, since man has domesticated animals or cultivated plants for his own benefit. Such selection may be unconscious or methodical. It has constantly tended to the latter, which is now systematically conducted on a large scale, and has resulted in numberless creations of utility or of beauty, or of both, which would not have existed had the animals and plants, thus improved, been left to themselves—that is, to the operation of natural selection. Examples of artificial selection are seen in the breeding of horses for speed, bottom or strength, or for the combination of these qualities; of cattle for beef or milk; of sheep for mutton or wool; . . . in the cultivation of cereals, fruits and vegetables, to improve their respective qualities and increase their yield; and of flowers, to increase their beauty and fragrance.

The most beautiful and fragrant flowers, the richest fruits, the most valuable and useful animals, the best varieties of wheat and grain, and all improvements which we know in plants and animals, have come from

artificial selection. Withdraw the care, protection and influence of man from any one of these, and subject them to the influences of the law of "the survival of the fittest," and they would either perish or return to their original and wild state. It matters not whether we call the efforts of man so exerted, of a "natural" or "artificial" character. It is found that the evolution of man—his education, development and improvement—has arisen from the protecting, controlling and governing power of man himself. It has been through ordinances of man that societies have been formed, governments established, peace preserved, persons and property protected, and the brutal propensities of man softened or eradicated.

Professor Huxley, in his article on "Struggle for Existence," said:

Civilization modifies the struggle for existence.

Society like art is a part of nature, but it is convenient to distinguish those parts of nature in which man plays the part of immediate cause as something apart; and, therefore, society, like art, is usefully to be considered as distinct from nature. It is more desirable and even necessary, to make this distinction, since society differs from nature in having a definite moral object; whence it comes about that the course shaped by the ethical man, the member of society or citizen—necessarily runs counter to that which the non-ethical man—the primitive savage, or man as a member of the animal kingdom—tends to adopt. The latter fights out the struggle for existence to the bitter end, like any other animal; the former devotes his best energies to the object of setting limits to the struggle.

The history of civilization—that is of society—is the record of the attempts which the human race has made to escape from this position (*i. e.*, the struggle for existence in which those who were best fitted to cope with their circumstances, but not the best in any other sense, survive). The first men who substituted the state of mutual peace for that of mutual war, whatever the motive which impelled them to take that step, created society. But in establishing peace, they obviously put a limit upon the struggle for existence. Between the members of that society, at any rate, it was not to be pursued *à l'outrance*. And of all the successive shapes which society has taken, that most nearly approaches perfection in which war of individual against individual is most strictly limited.¹

History teaches us that the development of man from barbarism to civilization; the growth of society from the family and tribe to organized governments; the control of man over man, from the exercise of brute force to an intelligent and patriotic obedience to positive law; the growth of language from rude words to beautiful and harmonious speech; the development of reading, writing and those means by which man expresses to others his ideas, sentiments, feelings and affections; the growth of religious sentiment and ideas from idolatry, to a belief in the inspiration of the Scriptures and devotion to the Christian religion, are all phases of that system of evolution which, through fluctuating periods, mark the moral and intellectual development of man.

Whatever may be the great moving cause which has impelled man to attain the high eminence which he now occupies, it is quite certain that it has not been by yielding to the blind fate of nature and permitting

¹ Nineteenth Century, February 18, 1888.

Progress of mankind due to conscious selection.

unconscious selection to shape his destiny and work out the problem of development; but it has been by *conscious* and *intelligent* selection, by refusing to let things take their own course. This is found to apply to every department of human life. The stigma which is attempted to be cast upon the policy of protection by defining it as an "artificial" means of developing industries, and as placing restrictions on "natural law," should be a reflection on the intelligence of any economist who resorts to such distinctions. Under the principle involved in this distinction the wild horse is the "natural" horse; he is as nature made him, but when tamed, domesticated and broken he passes to an "artificial" state. The savage man, in his barbarous condition, is the "natural" man, but when educated, Christianized, socialized and developed by training, culture and refining influences, he becomes the "artificial" man. So our whole fabric of society and civilization is "artificial," yet still, it is not to be condemned or rejected.

This distinction has formed one of the chief humbugs of the Manchester school in its efforts to claim for its creed the dignity of a "science" and to command the endorsement of scholars and teachers. The question whether or not protectionists are obstructing the free operation of "natural laws," or preventing the occurrence of what would happen if they kept their hands off, is entirely irrelevant. The sole measure of the wisdom or folly of protective legislation, must be found in its effect on the social and material welfare of nations. Protectionists have not permitted the question to be determined by dogmatic assumptions, but they point to the experience of nations to demonstrate the wisdom of their policy. History teaches that the material development and prosperity of nations, and the elevation of the masses, have been attained through those fiscal regulations which have placed limits and restrictions on the warfare of competition, through which one nation is able to supplant and destroy the industries of another. Since it has been made possible through economic conditions for one nation to maintain and build up a system of manufacturing by undermining and supplanting the industries of another, it is found that the wide extension and development of domestic resources and industries throughout the world have resulted from those barriers which have shielded them from invasion and attack, fostered, encouraged and stimulated industrial life, and afforded opportunities for employment and the investment of capital which otherwise could not have existed.

THE MALTHUSIAN THEORY OF POPULATION.

It should be noted in tracing the origin of the "scientific" basis of free trade, that it did not arise from a study of the Darwinian theory of "the survival of the fittest" by the British economists; but that Charles

Darwin discovered the essential principle of his law of "natural selection" by reading the economic writings of Thomas Robert Malthus. He says:

In October, 1838, that is, fifteen months after I had begun my systematic inquiry, I happened to read for amusement "Malthus on Population," and being well prepared to appreciate the struggle for existence which everywhere goes on, from long continued observations of the habits of animals and plants, it at once struck me that under these circumstances favorable variations would tend to be preserved and unfavorable ones to be destroyed. The result of this would be the formation of new species. Here, then, I had at last got a theory by which to work.¹

The writings of Dr. Malthus exerted a wider influence in formulating the theoretical principles of free trade, than those of any other Englishman. In 1798 he published his first essay on Population, in which he announced the principle that *population tends to increase faster than the means of subsistence*. He said:

This constant effort as constantly tends to subject the lower classes of society to distress, and prevents any permanent amelioration of their condition. The number of laborers also being above the proportion of the work in the market, the price of labor must tend toward a decrease; while the price of provisions would at the same time tend to rise.

Population and the means of subsistence.

They [the laborers] must at all events be reduced to live upon the hardest fare and on the smallest quantity.²

Speaking of the ability of society to elevate the condition of the masses, he said: "To remove the wants of the lower classes of society is indeed an arduous task. The truth is that the pressure of distress on this part of the community is an evil so deeply seated that no human ingenuity can reach it."³

In his second essay published in 1803 he states the general checks that tend to keep down population. These he divides into two classes: (1) preventive checks, which include those restraints which man imposes upon himself to prevent the propagation of the species; (2) positive checks, which he enumerates as "all unwholesome occupations, extreme poverty, bad nursing of children, great towns, excesses of all kinds, the whole train of common diseases, epidemics, wars, pestilence, plague and famine."⁴

Despite the kernel of truth that this theory contains, it has proved a fruitful source of error. While the growth of population, if unrestrained, may tend to press on the means of subsistence, the preventive check consequent upon the high standard of living has been so effective among civilized races and the increase of productive power has been so great that the pessimistic forebodings of Malthus and his followers have been proved by experience to be without foundation. As a statement of a tendency which if not counteracted by opposite tendencies may produce certain

¹Life of Darwin. Vol. I., p. 83.² Malthus on Population, Macmillan & Co.'s edition, 1895, pp. 14 and 27. ³Id., p. 35. ⁴Id., Ch. ii.

*Limited
application
of the
Malthu-
sian theory.*

results, the theory of Malthus properly has a place in economic science, but as a description of actual conditions it is utterly misleading. Malthus himself exaggerated its importance and subsequent writers by misapplications and unwarrantable deductions obscured the element of truth that it contained.

The question at the beginning of the nineteenth century, with a certain school of theoretical writers was, how to prevent the increase in population, while at the close of the same century the question is, how can man be distributed over the earth; how can the natural resources and richness of the world best be utilized and developed; how can he most surely be provided with the means of employment, through which to purchase the necessities and comforts of life? That the world is large enough, and its resources sufficient if properly utilized, to furnish an abundance for all, there cannot be the slightest question. This principle has been fully recognized by the school of protectionists, which seeks to elevate the masses of humanity, to dignify labor and to provide for the wants and necessities of life, by the opening of mines, the building of factories, the cultivation of the soil, diversifying industries and all of those means by which nature is made to give up her treasures in response to the industry of man.

THE ECONOMIC MAN.

The charge has often been made by protectionists that the theory of free trade had its origin in unreal and imaginary conditions, while the doctrine of protection was drawn from the experience of nations and from the actual practice of man. Free trade has been conceded by eminent economists advocating its principles to be a theory based on assumptions. Attempting to prevent the social side of the question from being considered, by confining their discussion wholly to the subject of sales, they contended that the only problem to be dealt with in the science of economics was the system of buying and selling and its influence on the accumulation of wealth. The political economy of the Manchester school was written wholly in the interest of, and from the standpoint of, the British manufacturer and trader; labor was regarded as a tool or commodity to be bought and sold in the market, to be discarded as soon as its use became unprofitable. In support of the theory, the Manchester economists refused to enter the domain of historical research, and to gather facts from the actual experience of man for its support. In fact, at the time the doctrines of free trade were announced, it had been wholly untried, and its effect on the trade, commerce and industries of great commercial nations, when put to the test of sharp competition, was unknown. Hence, the results which were claimed for it rested wholly in prophecy, conjecture and predictions. Not only the results which were to follow were assumed, but the reasoning was predicated on imaginary and unreal

conditions. This is now conceded by the ablest economists of the world. Mr. Bagehot, one of the most eminent of recent free trade writers, and for a long time editor of the *London Economist*, conceded that the "economic man" was an imaginary being. He says:

*The
"economic
man."*

Political economy deals not with the entire real man—a man answering to a pure definition, from which all impairing and conflicting elements have been fined away. The abstract man of this science is engrossed with one desire only—the desire of possessing wealth; not, of course, that there ever was a being who always acted as that desire would dictate, any more than any one thinks there is in nature a world without friction or entirely elastic planes, but because it is found convenient to isolate the effects of this force from all others. The effect of the abstract hypothesis on the necessary basis of statics and dynamics, to enable us so see the effect of the single agent "pressure," in a simple way and free from the repressing and obscuring conditions which exist in actual nature; and in the same way the use of the primitive assumptions of political economy is to show how the greatest of industrial desires—the desire to obtain wealth—would operate, if we consider it as operating as far as we possibly can by itself.¹

The advocates of protection not only refuse to confine the subject within the narrow limits laid down by the Manchester school, but to accept the mode of treatment prescribed, holding that, it being impossible to separate man from his social conditions and those causes which influence his action and contribute to his success or failure, correct conclusions could not be reached without considering him in his relation to others and as a member of society. The protectionists dealt with man as they found him in society and business, considering all of his hopes, aspirations, and all of the elements which necessarily contribute to his elevation and improvement. Instead of a science in which commodities and money transactions were alone to be dealt with, the protectionist school held to that time-honored policy which made man the chief factor, and the best means of improving and advancing his social, intellectual and material welfare the prime object. The application of free trade assumptions to actual practice in England during the past third of a century furnishes convincing proof of the errors which mere visionary theorists committed when they formulated an economic policy for an imaginary man in an unreal world.

PERSONAL LIBERTY.

A careful examination of the scientific phase of the theory of free trade, reveals the fact that the law of the "survival of the fittest" is very far reaching and is the controlling principle underlying the doctrine. It was a belief in this principle which attracted them to the "personal liberty" ideas of the French economists. To limit the powers of government simply to the office of preserving order, punishing crime and enforcing contracts and leaving man to exercise the largest possible

*Freedom
of contract.*

¹ Bagehot's writings, Vol. V, p. 313.

*Applica-
tion of the
principle
of freedom
of contract.*

individualism, that he might fight out the battle of life with the least possible restrictions, in order that the strong might survive and the weak perish, was in harmony with their dogmas. In this connection arose their idea of "the freedom of contract," holding that a man should be left free to make whatever contracts he saw fit, to sell where he desired and to buy where he desired, and also to hire labor as cheaply as possible or upon whatever terms he could get it, and to run his own business in his own way; while, at the same time, this applied equally to labor, which should be left free, but without the right to resort to artificial means, such as labor unions and combinations, to obtain the market rate of wages. Under the principle contended for, the hours of labor should not be restricted, there should be no interference by society with the individual in running his business. The manufacturer should be permitted to run his factory all night if he desired, to hire none but women and children, to work them at long hours, and at whatever wages they could be obtained; he should also be permitted to provide his own place of employment, however dangerous, insanitary or unwholesome, leaving the question to be regulated by "natural law," personal interest and humane and philanthropic instincts. Under this same principle, the utmost freedom should be accorded to emigration and immigration. For a nation to place restriction upon the natural flow of population from one country to another, would be to resort to "artificial" means. Again, under this great "natural law" no industries were to be carried on unless they could survive the warfare of competition. Those which could survive this struggle were regarded as existing under conditions imposed by nature, and therefore were called "natural" industries; while on the other hand, those which were brought into life and maintained by protective tariffs or artificial means, were called "unnatural" or "artificial" industries. The same was true of the wage rate. It was held that the law of supply and demand for labor imposes a natural wage rate below which wages cannot fall and above which they cannot rise; and that it is unwise to attempt to interfere with the "natural law" which controls and fixes wages.

Under this theory the miserable and degraded condition of the masses is justified by an appeal to the ordinances of nature. Under the operation of this doctrine of the "survival of the fittest," out of a population of about 38,000,000 in Great Britain, there are less than a million and a half of taxpayers. "Ninety per cent of the people," says Frederick Harrison, "have not property enough to load on a cart;" while the shippers, bankers and importers have been growing rich in foreign trade, the agricultural interests have been destroyed, industries have been supplanted, and the army of unemployed and beggars has yearly increased; and yet the hard and miserable life of nearly 30,000,000 of their people is claimed to be in harmony with "the laws of nature." It is most

fortunate for the world that Great Britain, through its blind adherence to free trade, has afforded during the past thirty years an example of the practical operation of this barbarous policy.

Yet, it is persistently urged that to attempt to remedy the evils resulting from such a policy, by fiscal regulations, is a restriction of individual liberty and an infringement on the natural rights of man.

*Protection
to oppor-
tunities.*

Under protection the individual exercises the utmost freedom of action in all the pursuits of life. The government does not attempt to direct the individual nor to compel him to engage in any pursuit which he does not desire to undertake; neither does it in the least restrict him in the occupation which he may pursue. It simply, by shielding its own citizens from the injurious effects of unfair and unequal competition, improves their conditions and enlarges their opportunities for employment and the field of their enterprises. It is not protection to individuals, but protection to opportunities for individuals. It improves and makes more certain of prosperity the conditions under which the industrial life of a nation is carried on. It is like security of title and possession of property; the certainty of peace and order in a community.

"The distinction between paternalism and protection is," says Gunton, "that a paternal policy implies doing the maximum for the individual, while a protective policy implies providing the individual with the maximum opportunity to do for himself."

The only restriction imposed by a protective policy upon the individual consists in requiring the payment of a duty for the privilege of importing competing commodities from foreign countries. This right is exercised under the power of the government, conferred by the people through the Constitution, to regulate commerce with foreign nations and to provide for the general welfare of the country. There are no restrictions upon exports; the markets of the world are as open and accessible, so far as legislation is concerned, to the citizens of the United States, as they are to those of any other country. David A. Wells says:

The highest right of property is the right to exchange it for other property. . . . Both slavery and artificial restrictions or prohibitions of exchanges deny the individual the right to use the product of his labor according to his own pleasure, or what may seem to him the best advantage. . . . Free exchange between man and man, or what is the same thing, free trade, is therefore action in accordance with the teachings of nature.¹

Although this proposition, which is a fair statement of free trade, is laid down as of general application, it applies only to international or foreign exchanges. The fallacies involved in the foregoing propositions are found in an erroneous conception of civil liberty, natural rights of individuals, the true functions of governments, and what constitutes

¹ Article on Free Trade, Johnson's Universal Encyclopedia.

*Civil
liberty.*

justice. In every proposition stated, the interests and rights of two parties must be considered, in order to arrive at a sound conclusion: (1) The individuals; (2) the public.

The rights of every citizen of a free government must be considered in his relation to others. He is not only, in his participation in the affairs of the community, one of the governors, but he is also one of the governed. His condition as a member of society is one of dependence and obligation. Free traders in presenting the proposition stated, fall into error by considering only the individual and ignoring the public. What then is "liberty?"

We are able to define "civil liberty" (Century Dictionary) as that:

Which implies the subjection of an individual member of the community to laws imposed by the community as a whole, but it does not imply the assent of each individual to those laws. An individual has civil liberty if he is a member of a community which possesses such liberty and is in the enjoyment of such rights which the laws of the community guarantee him.

This is the only kind of liberty a man in society can enjoy. Liberty in the abstract or absolute freedom of action, cannot be exercised by man either in society or in nature. From the very nature of things restrictions arising from physical or positive laws, place limits on his actions. Restrictions, then, are in accord with physical laws and are necessary under the laws of society and governments. Hence, it follows that, as an abstract principle, restrictions on the acts of individuals in society are not necessarily to be associated with human slavery.

A citizen of a free government necessarily lives under a system of restrictions upon his actions, and yet, he enjoys civil liberty. He is a free man; he is a sovereign; he is a law maker; he is clothed with the highest and most exalted authority of citizenship, and enjoys the most enlarged private rights, yet the liberty he enjoys is liberty regulated by law. The independence he exercises is an independence in certain things and within a circle and bounds which cannot be overstepped. He is free to do only that which is permitted by law. Freedom to assail the property, employment and occupations of others with impunity, has never been contended for by any excepting anarchists and free traders. Liberty is, then, the right to do that which is permitted by the law of the land. Free moral action consists in doing that which is permissible by divine law. We are living in a reign of human and divine law. Our interests, rights and property rest upon these laws for their existence and perpetuity. Forms of government are instituted for the benefit of man as an individual, and for man as a member of society; consequently two interests at once arise; the interest of the individual himself, and the interest of all the people in common, known as the public welfare. When the interests of the individual come in conflict with the public, the public

welfare must prevail. The science of government and jurisprudence, as recognized by the greatest philosophers, statesmen and jurists of modern times, is based upon the maxim,

The general welfare is the highest law.

*"Salus Populi Suprema Lex."*¹

"That regard be had for public welfare, is the highest law."

There is an implied assent on the part of every member of society that his own individual welfare shall, in cases of necessity, yield to that of the community; and that his property, liberty and life shall, under certain circumstances, be placed in jeopardy or even sacrificed for the public good.²

This maxim is of such universal application, and is so necessary to the existence of republican institutions, that it has become the basis upon which the whole social fabric of modern civilization rests. It is under this and by this, that the private rights of individuals are measured and determined. When we speak of the private rights of individuals, we mean rights which they possess and enjoy in obedience to this higher law. Private rights, then, are simply relative rights to all those spoken of as absolute rights. A citizen may be required to surrender his life through the performance of military duty, in defence of his country. The right of personal liberty to move about and go where he wills, is restricted by compelling him to serve in the army, respond to subpoenas, perform jury duty and other services for the benefit of society.

The right to possess, exchange and enjoy private property implies obedience to the same higher law. It does not help the matter to assert that the exchange of private property is necessary for man's existence. An exchange of property is not prohibited. A citizen is simply required to make exchanges in conformity with a public policy and in such a way as not to conflict with the best interests of society. It is the sheerest nonsense to contend that there is an inherent right existing in a citizen to do with his property as he sees fit, regardless of the public good. The possession and existence of property is made possible by society. Man in a savage state, making his way under the "natural law," was compelled to defend his possessions by sheer brute force. When he becomes a member of society, not only his person, his liberty, but his property is protected and its possession and enjoyment are made secure. Man neither in a savage state nor in society is permitted to hold property excepting by the consent of his fellows. The right to property, then, is enjoyed only under conditions imposed by the power which protects and makes its existence and enjoyment possible. Its disposition at home is regulated by the government. This could not be less so, simply because a citizen desired to exchange it in a foreign country for property the bringing of which into his own country might be detrimental to the interest of the whole people.

¹ Bacon's Max., Reg. 12. ² Broom's Legal Maxims, Chap. I.

The very reverse of the proposition contended for by free traders is true. Instead of the right of free exchange being an "inherent right or necessary adjunct to the right of property," it would be much more nearly correct to say that an inherent quality of all property is its liability to taxation.

The "inherent right" exists in society to place such limitations on the exchange of property as the public good requires.

Neither does the security of private property necessarily consist in the right of the freedom of exchange. It is the conditions and circumstances under which men live, brought about by the operation of wise laws that make life and liberty more secure. It is also the conditions under which the business operations of the people are carried on, which bring the greatest security to industry and property.

*Protection
a matter of
public
policy.*

If the market in which a person sells his goods is handed over to strangers and he is deprived by unjust and unequal competition of foreigners of the opportunity to sell; if in order to meet and combat such competition, the producer is compelled to work for less than sufficient wages to provide the necessities and comforts for himself and family; if by such competition, producers are driven out of business, their fortunes wrecked, and they become reduced to bankruptcy and are left to carry on an unequal and unjust struggle against the pauper and degraded labor of foreign countries, how can it be said that security of private property exists, although the utmost freedom in exchange of commodities is permitted? Instead of freedom of exchange bringing security to private property, it may result in its destruction. It is then, through protective tariff legislation, by a restriction being placed on foreign exchanges, that the greatest security to private property is attained. The security of private property, then, must consist in those economic conditions under which capital and labor are most permanently, uninterruptedly and profitably employed, and under which the largest industrial development of a country can be secured and the greatest wealth, progress and prosperity attained.

What right has a consumer living on a fixed income, or engaged in an occupation, or so situated that he would profit by the system of free trade, to demand that the government repeal its protective laws and subject the labor and industries of the country to the ruinous competition of foreigners, until he first shows that it would be justified by public policy, and that the greatest good would come to the greatest number by the adoption of free trade? Unless this is established, he plays the part of a highwayman who seizes a team by the bits and demands the driver's pocket-book. The doctrine of the right of free exchange, or to buy where one can buy the cheapest, rests upon the same principle of individual liberty as the right to commit any other act affecting the property and rights of others. This brings us to a justification of the proposition so long

contended for by protectionists, that protection is not to be decided by dogmatic assumptions, but is a question of public policy to be determined by each government in accordance with those economic conditions under which their material welfare can most surely be promoted.

COSMOPOLITANISM.

Another error which the Manchester school committed, is found in the assumption that the nations of the world are one family; that a nation in framing its economic policy should not only consider what is good for its own people, but that which is beneficial to other nations as well. Contending that a destructive warfare is constantly raging between nations in the efforts of the strong to supplant the weak, they advise nations to submit themselves to the inevitable and raise no defences to preserve their industries from destruction. It also involves the assumption that the highest destiny of man can most surely be reached through world, instead of national development. To say the least, this is a very kind and beautiful doctrine to be put forth by Englishmen, especially when they have vigorously attempted for centuries to cripple and destroy the commerce and industries of all other countries, by every method possible. A very able refutation of this contention may be found in "Political Science and Constitutional Law," by John W. Burgess, as follows:

The state cannot, however, be organized from the beginning as world-state. Mankind cannot yet act through so extended and ponderous an organization and many must be the centuries, and probably cycles, before it can. Mankind must first be organized politically by portions before it can be organized as a whole. I have already pointed out the natural conditions and forces which direct the political apportionments of mankind. I have demonstrated that they work towards the establishment of the national state. The national state is the most perfect organization which has yet been attained in the civilization of the world for the interpretation of the human consciousness of right. It furnishes the best vantage ground yet to be attained for the contemplation of the purpose of the sojourn of mankind upon earth. The national state must be developed everywhere before the world-state can appear.¹

National interests not to be sacrificed in the interest of a "world-state."

Speaking of the duty which the people of one government owe to those of another, he says:

Every state has, of course, a duty to the world. It must contribute its just share to the civilization of the world. In order to discharge this duty it must open itself as fully as is consistent with the maintenance of its own existence and just interests to commerce of intercourse, ingress and egress; but it is under no obligation to the world to go beyond these limits. It cannot be demanded of a state that it sacrifice itself to some higher good. It cannot fulfil its mission in this way. It represents itself the highest good. It is the highest entity. The world has as yet no organization into which a state may merge its existence. The world is as yet only an idea. It can give no passports which a state is bound to accept. The duty of a state to a world is a duty of which the state itself is the highest interpreter. The highest duty of a state is to preserve its own existence, its own healthful growth and development.²

¹ Vol. I., pp. 85-6. ² Id. pp. 43-4.

*Self-preser-
vation.*

If then it is found that the end to be attained can more surely be reached through the policy of protection, it becomes the duty of every citizen to subscribe to this policy and aid in its maintenance. Little can be added to the above quotation, so ably has its author met and overthrown this free trade assumption.

The present means of advancing the welfare of man is by societies acting through organized governments. "Self-preservation is the first law of nature," so the right of defence with nations to preserve and perpetuate their existence, is the highest law. It was under this theory that Adam Smith defended the navigation laws of England, as a means of stimulating and encouraging ship building, the training of seamen, and the maintenance of a powerful navy to guard and protect the interests of the realm and the rights of citizens in all parts of the world. The advantage which a nation would acquire by being industrially independent in time of war, was one of the reasons put forth in the early history of the United States, to justify the establishment of industries under protection. It is also maintained that the development of diversified industries which increase the wealth and promote the happiness of the people, also add to the opulence and independence of the nation. It certainly requires an indulgence in very extravagant assumptions to establish the negative, that a nation should not discriminate in favor of its own citizens, in legislating to advance their commercial and industrial interests, as well as to protect their persons and property.

ARTIFICIAL INDUSTRIES.

It is a common complaint of the advocates of free trade that the policy of protection forces into existence "artificial" and "unnatural" industries. Understanding the law of "the survival of the fittest," as being their conception of "natural law," we are better able to understand the meaning of this charge which is so frequently urged against the protective policy. A "natural" industry is one which can exist only under free competition. An "artificial" industry is one which is established by, and owes its continuance to fiscal regulations which protect it from destruction. If our industries are "artificial" and exist only because of this support or protection which they receive, they would certainly disappear when subjected to the "natural" forces of free competition. It is only in this sense that our industries are "unnatural" or "artificial." That there are certain natural conditions which determine in advance the industries which shall be pursued by different countries, there is no question, and so far as they exist, apart from the principle contended for by the Manchester economists, they are fully recognized by protectionists.

*Natural
advan-
tages.*

Agriculture is carried on under conditions of soil and climate favorable to the growth of a great variety of fruits, vegetables and cereals. These conditions determine for a nation the produce of the soil to which

their energies must be confined. Those products like tea, coffee, sugar, spices and tropical fruits, which may be classed as luxuries, are confined to a few favored localities, while those necessary products of involuntary consumption upon which man relies for his subsistence, and from which the masses of the world must always derive their food supplies, are universally distributed and grow luxuriantly in almost every soil and climate between the frigid zones. The products of tropical regions grow in great abundance with little human effort. The excessive heat unfits those regions for great industrial enterprises requiring arduous and incessant toil. The working of mines, the prosecution of manufacturing enterprises requiring great physical exertion, seek temperate regions where great results can be accomplished with least physical exhaustion. These natural causes determine in advance the industrial life of nations, and have an especial application to those products which depend for their profitable growth upon the elements over which man has no control.

The question, however, which arises between protectionists and free traders, relates wholly to the rewards of industry. For instance, the State of Louisiana, so far as soil and climate are concerned, is as well adapted to the production of sugar, as Cuba or Brazil. The States of Kansas and Nebraska are as well fitted by nature for the production of sugar beets, as Germany and France. Cuba and Brazil can produce cane sugar cheaper than it can be produced in Louisiana only by paying less wages to the labor employed, while France and Germany can grow beets and convert them into sugar at less cost than similar raw sugar can be produced in Kansas and Nebraska, only by paying the agricultural laborer less wages than the farmers of Kansas and Nebraska. Rice can be produced cheaper in China than in South Carolina, for the same reason.

The imposition of protective tariffs by the United States upon the natural products of soil and climate is not to force or stimulate the growth of products in the United States unsuited to natural conditions, but solely to provide for a difference in wages arising from conditions of civilization. If considered from the standpoint of the design of the Creator of the universe, such protective legislation is fully justified upon the ground that it results in an improved condition of man, enabling labor in the United States to be better rewarded, better educated, better housed and clothed, and to reach a higher state of civilization. If such condition of humanity is the purpose of the Supreme Ruler of the universe, protective legislation is in harmony with divine law.

Protection is for the purpose of preventing reduction of wages.

The metals, iron, copper and lead, are found in abundance on every continent and in almost every country. Coal beds for fuel are as widely distributed. Fuel and raw material are universally accessible to the people of all countries. The United States has iron and coal distributed from the Atlantic to the Pacific. To prevent our Eastern sea-boards from being supplied with these materials from abroad, is not for the purpose

*Protection
and
so-called
"natural
laws."*

of opening industries in the United States of an artificial character, but for the sole purpose of making it possible for the American miners to receive higher wages than are paid to the miners of foreign countries, and to contribute to the general prosperity of this country. This is the utilization of natural products. Mining and manufacturing, in so far as they are pursuits in which the capital and labor of a country may be employed, depend wholly for their existence and conduct upon the direct efforts of man, uninfluenced by soil and climate, excepting as to those special localities of the tropics in which excessive physical exertion is practically prohibited by the intense heat. Through the entire temperate zone, in the United States, Europe and Asia, the region most densely populated, having the highest civilization and the greatest industrial activity, all branches of manufacturing are equally favored by nature, and in this respect, can as well be carried on in one place as in another. The free trader continues to harp upon obedience to the laws of nature in manufacturing pursuits, and yet, no Englishman has favored the building of silk factories where raw silk is produced or the removal of their woolen mills to Australia and the Argentine Republic, in the neighborhood of the great sheep ranches of the world. Neither have they suggested the removal of their cotton mills to cotton growing districts of the United States. English manufacturers have never paid the slightest attention to these "natural laws" that their economists have so much to say about, but have based their industrial supremacy upon superior machinery, skillful and efficient labor and the low wages of their artisans. England by nature is no more fitted for the manufacture of cotton, linen, woollens, the metals or anything else, than the United States. Whatever advantages she possesses are wholly acquired. A superiority based on the degradation of humanity, a condition of commercial slavery to which a population is reduced and to which it is eternally chained, is a violation of the laws of God, and revolting to the better sense of civilized man. There is no country in the world more favored and set apart by the laws of nature, for an extensive diversity of industries, than the United States. With a soil and climate for the production of cotton, flax, hemp, jute and all vegetable fibres; with agricultural regions adapted to the raising of sheep and growing of the finest wool; with coal and iron universally distributed from coast to coast; with the greatest water powers in the world; with every variety of agricultural products which grow in temperate and semi-tropical regions, it cannot be said that to utilize these rich possessions is a violation of natural law.

COMPETITION.

*The dan-
gers of
competi-
tion.*

Although blessed beyond measure with natural resources for industrial prosperity, the people of the United States labor under one great disadvantage. Through nearly a century of industrial evolution and

civilization they have acquired a mode of living and a wage rate which are more expensive than those of any other people on the face of the globe. It costs them more to live, because they live better. They cannot pay double the wages paid by foreign competitors and expose themselves to the warfare of international competition. In such a conflict they would be the weaker party, and under the law of "the survival of the fittest" their civilization would be destroyed and their industries supplanted—unless they adopted the weapons used by their competitors, namely, less expensive modes of living, lower wages and cheaper productions. This brings us to the gist of the whole controversy between protectionists and free traders. There is no dispute over what would happen in a conflict between such unequal combatants. The real question is, would it be wise, would the welfare of humanity be best promoted by yielding to the consequences and inevitable results which are unquestionably involved in such a struggle? The advantages to a people of healthy competition are not involved in the question, as pointed out by Professor George Gunton:

The chief fallacy underlying the doctrine of *laissez faire* is a mistaken notion regarding the nature of competition. Because competition is rivalry between contending units, it is assumed that all rivalry is competition, and hence that free competition is simply an unrestrained struggle for existence. As we have already seen, unrestrained struggle may and often does mean repression and despotism instead of development and freedom. It is entirely true that competition is indispensable to development, but in order to have competition that develops, instead of a struggle that destroys, rivalry must take place under conditions which make the object sought reasonably possible to either contestant. There can be no advantageous competition where the prize is impossible to one and certain to the other. Such an unequal struggle, instead of developing the highest possibilities of both competitors, inspires neither contestant to do his best. To have effective competition, the contest must be of such a character as to compel the winner and inspire the loser to the maximum degree of effort. This can only occur when the contest takes place between approximately equal competing units. Competition between unequals necessarily tends to crush rather than develop the weaker, although he possesses all the potential possibilities of superiority.¹

Competition between unequals.

This proposition is so ably presented by Professor Gunton² that the writer takes the liberty of incorporating the following quotation, to enable the reader to be further enlightened by this distinguished economist:

Whenever a struggle for industrial supremacy takes place between producers in countries of differing degree of civilization, one of two things must necessarily occur; either the higher must descend to the plane of the lower, or the lower must ascend to the plane of the higher. If the higher-paid producer descends to the plane of the lower, it will not be *economic* competition, because in that case, the low-wage products will be sure to undersell the high-wage products, and thus enable the inferior to succeed against the superior. In such a struggle there is nothing to

¹ Principles of Social Economics, p. 293. ² Id., pp. 333-5.

develop the best in the higher, but everything to repress it. The cheap-labor competitor does not succeed through his economic superiority, but solely because of his social inferiority. Such a contest, therefore, is contrary to all conditions of economic competition. Instead of being a contest between approximately equal competing units, which tends to develop the best in both, it is an unequal struggle in which the inferior is sure to prevail against the superior.

When competition takes place on the plane of the higher-wage level, the result is very different. In such a contest, whoever succeeds is compelled to do so by employing superior machinery, and that reduces the cost of wealth by *saving* instead of *cheapening* human labor. Every effort of the lower to succeed against the higher by such means necessarily tends to develop better methods of production, cheapen wealth and promote social progress in the less advanced country, even if it fails to undersell competitors in a foreign market. On the other hand, in every such struggle the high-wage producer is compelled to make efforts to still further develop the wealth-cheapening methods in the most advanced countries. Therefore the contest on the higher plane is supremely economic, because it stimulates the best in both competitors, guarantees that only the superior shall succeed, and in so doing, helps rather than injures the inferior.

*The
remedy.*

As a means of preventing the injuries resulting from the competition stated in the first paragraph and preserving the healthful rivalry described in the second, Professor Gunton recommends a resort to and very clearly points out the necessity of protective legislation:

In order, therefore, to apply the doctrine of opportunity laid down in the previous chapter, and to establish international trade upon a strictly economic basis, it is necessary for the higher-wage country to discriminate against the products of the lower-wage producer to the full extent that the lower wages affect the cost of production, as this determines the competitive status of the commodity. Thus we have a truly economic basis for a tariff policy that shall be *protective* without being *paternal*. A tariff policy based upon this principle would protect the superior against injury from the inferior, without affording the slightest monopolistic impediment to economic rivalry. Instead of restricting wholesome competition, this would simply protect the competitive opportunity for the "fittest to survive," the test of fitness always being the ability to furnish low-priced wealth without employing low-priced labor. Under such conditions the products of foreign countries could never undersell those of home industry, except when the lower price of the foreign product is due to the use of superior labor-saving and not to labor-cheapening methods.

WAGES.

Understanding the principles involved in the foregoing propositions, the reader will readily discover how protection increases wages. The old theories contended for by the dogmatic free traders have quite universally been discarded. The writers of the Manchester school whose opinions were influenced by the Malthusian theory of population, believed that in the struggle for existence wages must always be low and the condition of the masses most miserable. John Stuart Mill, in discussing the question, said:

*Population
and sub-
sistence.*

After the truths brought out by Mr. Malthus were understood, it was then seen that the capabilities of increase of the human species as of animal nature in general

(being far greater than those of subsistence under any except unusual circumstances), must be, and are, controlled everywhere else by one of two limiting principles—starvation or prudence and continence. That under the operation of this conflict, the reward of ordinary unskilled labor is always and everywhere (saving temporary variations, and rare conjunctions of circumstances), at the lowest point to which laborers will consent to be reduced, the point below which they will not choose to propagate their species. . . These considerations furnish a sufficient explanation of the state of extreme poverty in which the majority of mankind had almost everywhere been found without suffering any inherent necessity in the case.¹

Francis Wayland said: "When the wages of parents are barely sufficient to rear two children, but two will be reared; the rest will die in infancy."²

Ricardo, one of the chief apostles of free trade, in stating his "Iron Law of Wages," said:

If the shoes and clothing of the laborer could, by improvements in machinery, be produced by one-fourth of the labor now necessary to their production, they would probably fall 75 per cent.; but so far is it from being true that the laborer would thereby be enabled permanently to consume four coats or four pair of shoes, instead of one, that it is probable that his wages in no long time would be adjusted by the effects of competition and the stimulus to population to the new value of the necessities on which they were expended. If these improvements extended to all the objects of the laborer's consumption, we should find him probably, at the end of a very few years, in the possession of only a small, if any, addition to his enjoyments.³

The theory advanced by free trade economists which was known as the "wage fund theory," held that wages were paid out of the capital of the country seeking investment, out of which there was a predetermined amount known as the "wage fund," which alone would be distributed among the laborers; that of this capital a certain portion must in the outset be deduced for profits, rent, materials and expenses, and what was left constituted the "wage fund," which would be distributed among the laborers in proportion to their number. If the fund was large and the laborers few, wages would be high, while if the laborers were numerous and the fund small wages would be low. It was purely a question of arithmetic. . . Assuming that population increases faster than the means of subsistence, the labor market would at all times be overcrowded, and people to save themselves from starvation, would be willing to work for what they could get; jobs would be put up at auction, to be struck off to the lowest bidder.

Wage fund theory.

While the free trade professors may have erred in the theory which they formulated, the recent experience of Great Britain when subjected to sharp, free competition of strong rivals, proves that they were accurate in estimating the ultimate effect on the wage earners of a country, under the "struggle for existence" imposed by free trade. The strongest and

¹ Claims of Labor, in Dissertations and Discussions, Vol. 2, pp. 264-5. ² Elements of Political Economy, p. 298. ³ The Works of David Ricardo, London: John Murray, p. 12.

*Wage fund
theory
exploded.*

most powerful labor unions and combinations have failed in resisting reductions in wages and have been utterly powerless in securing advancements, while the army of the unemployed has increased as productive industries have decayed and been supplanted. The wage fund theory which had been accepted as one of the cardinal principles of the gospel of free trade by all of its adherents, was repudiated by John Stuart Mill in 1869, when its fallacies were exposed by Mr. Francis D. Longe, an English barrister, who pointed out that the amount of wages which an employer could afford to pay was limited by the amount of money for which he could sell the product. This theory has since been accepted by General Francis A. Walker and many others who contend that:

It is the prospect of a profit in production which determines the employer to hire laborers; it is the anticipated value of the product which determines how much he can pay them. The product, then, and not capital furnishes at once the motive to employment and the measure of wages. If this be so the whole wage fund theory falls, for it is built on the assumption that capital furnishes the measure of wages; that the wage fund is no larger because capital is no larger, and that the only way to increase the aggregate amount which can be paid in wages is to increase capital.¹

*Advantage
of protec-
tion.*

Applied to international competition the principle stated by Longe, and recognized by General Walker, becomes an important factor in determining the wage rate. The production of the world has become so large that not only the British manufacturers, but those of the Continent have constantly on hand a surplus of competing commodities which are seeking for customers, and being crowded into the markets of the world. This has reduced the selling price to the lowest possible point and made large profits impossible. Through their open ports the English people have made their home market a part of the market of the world to be contested for. The producers of the United Kingdom and Continental countries are struggling to undersell each other and to acquire and hold the markets. This means cheap goods, and every nation which relies on foreign markets for the sale of its wares, must submit to this condition. So long as the Germans, the Belgians, the French and the Swiss rely on foreign countries for the sale of their surplus products, it will be impossible for them to increase the wage rate of their artisans to a point which enhances the cost of production above their competitors. It is for this reason that, although Germany, France, Switzerland and Belgium pursue policies of protection, high wages are impossible. Should the United States enter the markets of the world as a competitor, it could only do so under the same conditions of trade. While Continental countries are thus unable to advance wages to as high a point as those paid in the United States, the chief advantage derived from protection has been found in the development of their domestic industries, and the preservation of their home

¹ Wages, by Walker, p. 144.

markets, which have given increased employment to labor in the diversified industries which by this means have been established and maintained. Protection with them has increased the opportunities for employment, through which the masses have been greatly improved; while the excessive competition in Great Britain, through open ports, has resulted in the destruction of domestic industries, diminished opportunities for employment, increased idleness and the misery and degradation of the masses.

This brings us to the principle which fixes the rate of wages under protection in the United States. It is urged by many protectionists that the wage rate is determined by the mode of living, the habits, tastes and desires which the wage-earner is seeking to satisfy. It must, of course, be conceded that the degree of civilization which prevails indicates the desires which are sought to be satisfied, and that the higher the order of civilization attained the greater becomes the demand for comfortable homes, good clothing, luxuries, comforts, hours of leisure, entertainments and pleasures of life. The higher the order of civilization enjoyed, the more expensive becomes the mode of living; it costs more to produce an educated man or woman, to build homes and furnish them decently, than it does to produce uneducated people and maintain them half fed, half clad and shelter them in hovels. A laboring man earning \$2 a day will live better and possess for himself and family more of the comforts and luxuries of life than would be possible if he earned only \$1 a day; hence, the mode of living and high wages paid in the United States increase the cost of production and add to the selling price of every product of human effort. This additional cost must be paid by the consumers of the commodities produced. It is a conceded fact that the wage-earners of the United States receive far higher wages than are paid in any other country on the face of the globe. If, then, the consumers of the United States pay more for their necessities and comforts of life than they would under a low wage scale, they are simply contributing to the maintenance of that civilization, degree of intelligence, comfort and happiness which make the people of the United States conspicuous among the nations of the world. The question whether the people of the United States pay more for commodities made by American labor, than they would be called upon to pay if the same articles were made by the poorly paid labor of Great Britain and Europe, is wholly immaterial. The real question at issue is, does it pay them to do it? Is it a good investment? It is not so much a question of accumulation of wealth as it is one for the elevation of humanity. It is a well-known fact that poverty and degradation arising from low wages, breeds discontent, immorality and vice. Children raised in comfortable homes, educated and enlightened, make better men and women and better citizens. Hence, the whole economic problem, instead of being a question of cash payments, merely a matter of dollars and cents, involves the

*What fixes
the wage
rate.*

*Increase
the oppor-
tunities
for employ-
ment.*

moral, social and intellectual development and improvement of mankind.

The steady increase in wages in the United States since 1860, has not been brought about by a voluntary increase in wages by manufacturers as soon as tariff laws were enacted. When manufacturers go to Congress and ask that duties be imposed or increased, it is not necessary that they should have in mind a corresponding increase in wages immediately extended as soon as the tariff laws are enacted. Tariff laws enable capitalists to open mines, build factories and establish industries which could not exist or be established were it not for the tariff barriers which shield them from foreign competition. The opening of mines, and the building up of industries, afford opportunities for employment. They create a demand for home labor. A protective tariff, then, becomes a protection to opportunities. The more varied and greater opportunities become, the more employment is found. It is in employments thus created that wages are earned which go to build homes, fill them with furniture, clothe and feed families, and provide the means of satisfying wants, tastes and desires. If the mode of living, tastes and desires measure that which is necessary to satisfy them, the opportunities for employment afford the means. Give a people the opportunities for employment, and they will fix their own wage rate under their own conditions of civilization. Destroy these opportunities, and whatever the desires of a people may be, to satisfy them is impossible. Hence we find the basis of the whole social fabric of all progress and prosperity, the means of satisfying wants, to be the prime economic factor. The importance, then, of stimulating and fostering the various branches of industry such as agriculture, manufacturing, mining, transportation, trade and commerce, becomes apparent. The wants of man are satisfied through the fruits of labor. As opportunities increase, earnings become greater, consumption is enlarged and increased production follows.

*Improve
the home
market.*

The Hon. Thomas B. Reed, in discussing this question in the House of Representatives on the sixteenth of January, 1894, in opposing the passage of the Wilson bill, said:

Now, let me come for a moment to this question of wages. The gentleman says that it depends upon supply and demand. I say that is an utterly exploded doctrine. Wages depend upon the amount of the market, and also upon the nature of the workingman himself. I anticipate what the gentleman is going to say in response to the suggestions of other gentlemen on his side, that what they need is a more extensive market; that what they need is to go forth to the rest of the universe and obtain a market; and the method they propose is to obtain a market somewhere else by giving up the market that we have here. But we on our side believe in enlarging the market in a different fashion. We do not mean to go to the ends of the earth and struggle with the cheaper labor of the whole world. What we mean to do is to elevate the market of this country by giving higher wages to the laborers, and thereby constituting a market as broad as our production. . . . So that it is not the

arbitrary fixation of wages, but it is the growth in intelligence, the growth in desires and wants of the laborer that forces a rise of wages. What is the direct means by which the laboring men reach this result? By labor unions, by combining, by making manufacturers understand that they must give higher wages. How are the manufacturers enabled to give higher wages? By increasing their product, which increase can only take place by the larger market which comes of these larger wages.

That is the secret of this matter. But there are limitations in this case just as there are to all human tendencies. The laboring man is struggling to supply his wants. He makes his demand on the manufacturer. The manufacturer is set to work to devise new inventions, and by the assistance of these he is able to supply these wants. But there is a limitation to inventions; there is a limitation to the capacity of the employer to enlarge his market. And those two things struggle together. In this country, with the laborer seeking to obtain higher wages and fewer hours of work and the demand of the public for lower prices, there is going on a tremendous struggle; and that is all the struggle that the inventive power of this country can sustain.

Now you propose, by bringing us in contact with a lower civilization without protection, to make the success of that struggle an absolute impossibility. You are crushing down the laboring man by your efforts; and you are thereby intensifying this struggle between the employer and his employees, which is liable to be fought out as long as selfishness reigns in this world. But thank Heaven, the success, the good fortune, and the prosperity of the laboring man does not depend on these men who rend the heavens with their shouts of praise, but upon the laws of the Lord God Omnipotent. And among the laws of Omnipotence is the use of human brains by aid of law to provide the laborer with opportunities for work.

INTERNATIONAL COMPETITION AND FOREIGN TRADE.

This brings us to a consideration of the advantages which the advocates of free trade contend would arise, from a practical application of international competition between the higher civilization of the United States and the lower civilization of Great Britain and Europe. This involves a discussion of the relative importance to a nation of home trade as against foreign trade. It is conceded by the free traders that under protection a vast industrial system becomes established and is maintained; and that the home trade of a country is secured to its own people. Yet it is contended that the industrial prosperity of a nation may more surely be attained by abandoning the production of those commodities which can be made cheaper in other countries, and by confining the energies of the people to those of which superior advantages in production are possessed; that even though we should lose a large number of our present industries by importing commodities which we are now making, that the increased importations would occasion a foreign demand for other domestic productions which would be given in exchange for those purchased; and hence whatever loss we sustained through the disappearance of established industries and diminished direct trade, would be more than compensated for, in foreign trade; that one of the chief advantages arising from such change of policy would be found in the benefits consumers would derive from cheap commodities. This brings up for

The relative advantage of home and foreign trade—The free trade argument.

*Buying in
the cheapest
market.*

consideration the conditions and circumstances under which we would be able to sell our wares in foreign countries and compensate ourselves for the loss sustained by surrendering domestic productions.

Under the "natural law" of trade contended for, it is urged that both venders and purchasers would derive an advantage by "buying in the cheapest and selling in the dearest market." The idea that we could sell everything for a good price and buy everything very cheap, is most fascinating. "To buy in the cheapest market," what does that mean? It means that the American people are to buy their glass, earthen and china ware, cottons, woolens, silks, linens, all tools, machinery, hardware and cutlery, iron, steel, and in fact every manufactured article, in Europe; that they shall entirely cease buying of the home producers, unless our manufacturers will sell these articles cheaper than they can be purchased from any other people on earth. It means also, that our consumers of food will buy farm products in Canada, the Argentine Republic, or wherever they can be bought at the lowest price. It means that the purchasers of all countries shall also buy where they can buy the cheapest; hence the purchasers of the world will not come to the United States to buy either manufactured goods or farm products, unless they can buy them cheaper here than in any other country. Instead, then, of selling dear, we must also sell cheap or not at all, excepting, of course, as we produce a superior article or something that cannot be obtained elsewhere, which from the universality in the growth of farm products and the wide extension of manufactures, is unlikely to occur. We can only become sellers by selling for a lower price than anybody else. That this involves a reduction in the cost of production below the rest of the world, necessarily follows. But under the law of "the survival of the fittest," those industries which cannot withstand the struggle must perish, and the capital, if there is any left after the wreck, must seek investment, and the laborers thrown out of work must find employment in some other industry; but that other industry must always be one in which commodities can be produced cheaper than elsewhere. To sell in the best market, then, necessarily means to undersell all competitors.

*The goods
for goods
theory.*

In order to increase our sales in foreign markets, we must make our country a good country to buy in before foreign purchasers will seek our market, hence while this leveling process is going on, we should be buying more than we could sell. The free trade economists, however, hold that while exports of domestic produce equal to imports of foreign produce would not immediately arise, ultimately and in the long run, exports must balance imports, and trade must be carried on by an exchange of commodities. It is important to understand the practical operation of this theory, the reasons why it must be sound, in order that we may measure its effect upon our industrial system when put to the test.

Under a system of free trade, our merchants would buy in the cheapest markets of the world, and no foreign nation would buy of us till our prices were reduced to at least the level of other countries. Assuming that our prices are higher than in any other country, instead of buying at home our purchasers would buy abroad. This would certainly make a heavy balance of trade against us for a time. If our present consuming power could be maintained, it would not take long to exhaust our present supply of gold in the United States, which is now about \$600,000,000. But having shut down our factories and abandoned our laborers that we might seek cheaper goods in foreign markets, the consuming power of a large portion of our citizens would at once be reduced by cutting off their incomes, so that our foreign purchases after our accumulations were exhausted, would begin to decline and the outflow of coin would in a measure be checked. Free trade authorities admit that the outflow of metals would be the immediate effect, but Mr. Edward North Buxton, in the "A B C of Free Trade," page 13 (published by the Cobden Club), says: "A very small withdrawal of gold from the currency of the country raises the rate of interest, and this at once tempts back what has gone out."

The effect upon the business of a country situated like the United States, of a stringency in the money market, and an increase in the rate of interest, is well known to business men. It would result in the calling in of all short loans, tie up every dollar to procure higher rates of exchange and discount, and plunge the business interests of the country at once into bankruptcy. But it is contended that as the precious metals flow out from a country to settle an adverse balance of trade, money becomes scarce, appreciates in value and prices fall. Through the decline in prices thus brought about, the tendency would be to make the United States a good market to buy in. This process of making money scarce and thereby making commodities cheap, it should be noted, is one of the causes which would aid in reducing the United States to the price level of other countries. But this compensatory goods for goods theory, or exchange of commodities, would not begin to operate till American labor was compelled to accept the lowest rate of wages paid by our competing rivals, and until American capital was also compelled to accept an equally low return for its investment. In order, then, to reach the millennium of free trade, both labor and capital in America, would be compelled to produce goods cheaper and take less return for their services than in competing countries, in order to turn the tide of commerce in our favor. Having obtained, by this means and through reductions in wages and otherwise, a point below the lowest level in other countries, our merchants would begin to sell abroad and when we reached a point where we sold more than we purchased, gold would come back. The returning current of gold would increase the volume of our money, and make it more plentiful,

Equilibrium of prices.

*Exports
of gold.*

this it is claimed would depreciate its purchasing power and raise prices again. Should the inflow of gold, on this vibration of the pendulum, raise prices above the level in competing countries, we would again begin to buy abroad. Hence, it follows, that only by reducing our prices below the level of other countries and making our markets the best markets to buy in, can it be said that if we buy abroad we shall be able to sell in return. The increased importations occasioned by the reduction of duties made by the Gorman-Wilson bill, is affording a practical illustration of this proposition. We have increased our purchases because goods can be bought cheaper of foreign than of home manufacturers, and gold is flowing out.

Our exports, save in exceptional cases, have not increased, foreigners have not come to our market to purchase, because we have not yet reduced wages sufficient to enable us to sell cheaper than others. Hence, the increased purchases without a corresponding increase in exports show that we have not yet reached a point where we sell as much as we buy. The result is the almost weekly shipments of gold to settle the balance of trade which has turned against us. This was admitted by John G. Carlisle, Mr. Cleveland's Secretary of the Treasury, in an interview on September 11, 1895, published in the New York World the following day. Speaking of the causes of the exports of gold, Mr. Carlisle said:

Unless there should be another scare in regard to the gold reserve such as we had before, or a financial panic, neither of which things in my judgment is likely to occur, there will be no necessity for another bond issue in October to preserve the reserve. The present removal of gold from this country is not due to any lack of confidence abroad in our national finances. It is simply the result of trade conditions. Our merchants are importing immense amounts of goods from Europe, which indicates that they expect a big business this fall and winter, and our gold goes abroad to pay for these importations.

*Cheaper
goods mean
lower
wages.*

The necessity of reducing wages in order to make cheaper goods, and thereby hold our own markets or increase our sales abroad, was recognized and pointed out by the Journal of Commerce and Commercial Bulletin, a leading free trade journal of the United States, Monday, November 5, 1894, in an editorial headed "High Wages and Low Interest." The editorial begins by saying: "When wages are high the only legitimate reason is that business is prosperous, production active, and profits thereon satisfactory. If wages are high when these conditions do not exist, then they are wrongfully high and cannot long remain so."

Speaking of the low rate of interest, the lack of demand for capital, it says:

It means that enterprise is not yielding its usual return of profit, or that there are unusual risks attending business, or that there is a reduction in the national capacity for consumption, or that all these causes combined are at work. . . . It is a serious condition of affairs when the employers of capital do not care to accept the

use of it, although it can be had for virtually nothing. The solution of the anomaly is that, at the time being, it is worth nothing for use, that there is a large surplus of it for which there is no growth of industry or trade to provide employment.

Proceeding to show the increase in the earnings of our laboring population during ten years (1880 to 1890), the high wages received and also the decline in the price of commodities which has taken place, this journal called upon the laboring men of the United States to adjust themselves to the new industrial conditions, by consenting to a reduction in wages, and said:

Reviewing, in the light of the facts, the position of capital and labor respectively for the last half generation, it is thus evident that, relatively, labor has had much the best of it in the co-partnership of the two interests. It is beyond question that at no previous period has labor been so prosperous as during the years under review. Within the same period the earnings of capital have been diminishing; and to-day industrial capitalists have to confront problems and a situation of unusual seriousness. What is to be done under these circumstances? Is labor to still absorb the profits, and is capital to surrender its rewards? This is no question of sentiment on either the one side or the other. It must be determined by the natural laws controlling the market value of labor. The first phase of that solution is already here. Capital is standing aloof from production until it can make a profit out of it. That is its only means of self-protection. Its contraction of work will express itself in the non-employment of labor; and idleness in the ranks of the unions will prove more potent as a means of readjusting wages than all the harangues of labor leaders and the compulsions of strikes. Every day of the present scale of wages means so much more loss to employers, and therefore so much more curtailment of production. It remains with the unions to determine to what lengths they will carry their insistence upon a scale of pay that is incompatible with the maintenance of industrial activity. It is within their power to make the industrial situation much worse than it already is; but if they choose a policy of short-sighted exaction, they can only expect that the consequences will fall with tenfold greater effect upon themselves than on any other class. By a timely yielding, they may impart an immediate revival to trade; by persistence they will invite a reaction which can only put them at the utmost disadvantage in a later readjustment. An average reduction of 20 per cent in wages is demanded by the necessities of employers and equally by the true interest of labor. With that, we might expect a general revival of business; if it be not quickly conceded, we must wait until worse conditions compel the concession.

This announces the very kernel of Cobdenism. By reducing wages and degrading labor our industries are to be defended and carried on. By this means alone are we to encourage the building of factories and the investment of capital. By robbing labor profits on capital are made possible. This infamous doctrine is termed "Tariff Reform." We are now witnessing its results.

Striking first at capital, by bringing into the field foreign competitors that destroyed profits and closed mills, it then called upon the wage-earner to yield to the inevitable and consent to a further reduction in wages; and this at a time when wages had already been reduced from 10 to 20 per cent, and labor still remained unemployed.

*Fall in
wages
under free
competi-
tion.*

Instead of giving new vigor and life to the industries of the country, it acts as a blight on prosperity, and its leveling process brings bankruptcy to employers, and misery and want to the households of labor. The same results followed free trade in England. Mongredien in speaking of the depression of trade which has existed in Great Britain since 1874, although attributing it to a reaction in business following a period of prosperity, and thus ignoring the excessive competition which had set in from the Continent, as related by the British manufacturers, refers to the reduction in wages as the operation of a natural law. He says:

When, after the unnatural inflation, demand subsided into its legitimate channels, wages gradually fell, and have continued to fall in sympathy with, but hardly in the same proportion as, the profits of capital and the prices of commodities. Against this decline the wage receivers have (as is natural and excusable) fought inch by inch. By concerted action, by strikes, by the partial adoption of co-operation, and by every weapon which trade unionism put in their hands, they opposed all the resistance in their power to the reduction of their wages. But the irresistible course of events proved too strong for them, and they had to yield.¹

On November 29, 1886, John Bright conceded the vital point in the controversy, by admitting that the only way under free trade by which destructive competition can be met and home factories preserved, is by a reduction of wages. He had been written to by a gentleman from Nottingham calling his attention to the fact that the lace industry was being ruined by competition; that machinery and factories were being removed from England, and asked for his opinion as to how the difficulty might be met. Replying in a letter of the above date, he said:

I fear that I can write nothing that will be of service to you in the circumstances you describe. If your manufacturers are unable to compete with their rivals in other parts of the country, or in foreign countries, their business must be unprosperous, and may gradually decay. If the cause of these be in the high wages claimed and paid in your town, unless wages in other parts can be raised, it would seem to follow that your trade can only be preserved by a reduction of your wages, or by some other diminution of the cost of manufacturing if such be possible. If trades unions, for example, insist on wages which a trade cannot pay, the particular trade may, and indeed must, suffer—must become unprosperous, and may decay and be driven to some other district where labor is free from the interference and unwise restrictions of combinations of workmen. If any given trade is being removed from your town, if machinery is being taken down in Nottingham to be set up in some other town or district, it must be known to your workmen, and they surely will not be long in discovering their true interests in the question.²

This was the cold comfort received from the great apostle of free trade, forty years after he had stood in parliament with Richard Cobden and advocated the mistaken notion that the superior efficiency of the British artisan would enable him to outstrip all rivals and maintain the advancing wage rate which he had enjoyed under protection.

¹ Free Trade and English Commerce, pp. 69-70.

² Fair-Trade Journal, Vol. ii., p. 92.

*Effects of
free com-
petition.*

The ruin which must befall our country while passing through the transformation from our vast industrial system to the conditions imposed by an application of free trade principles, is most appalling to contemplate. In order to hold our home market, we must at once be reduced to the level of Europe as a producing country, and thus sacrifice billions of dollars in wages and submit to an incalculable shrinkage in values. But while this is taking place, our industries could not be kept intact. Our system, of doing business on credit is so universal, that shrinkage in values would ruin every manufacturing establishment and in turn wreck every bank, and in its destructive influence would reach every depositor and every home in the land. We should be left with a bankrupt people attempting, without capital or credit, to resuscitate and readjust our industries to a condition under which, if they were continued, they would yield meagre returns to labor and capital. This process has actually begun. The calamities of the last three years are but a shadow of what must inevitably follow if the warfare is continued and the designs of free traders are put fully into practice.

The Gorman-Wilson bill directed its attack against the woolen industry by reducing duties to an average ad valorem rate of less than 50 per cent, which by a system of undervaluation that is made possible, reduces the protective duty still lower. The busy woolen mills of England and the idle woolen mills of the United States, with the increased imports of woolen goods, show that the death-dealing process is doing its work.

It should be borne in mind that the great purpose of the free trade movement is the destruction of the manufactories of the United States, that foreign manufacturers may step in and monopolize our markets. The appeal is made to the agriculturist that he would profit by joining hands with the British manufacturers in the destruction of the manufactories of his own country. The result of this policy would not only destroy the great industrial centres of the United States, in which the American farmer finds the best market for his produce, but by driving more people into farming it would increase the number of agriculturists, and bring about such over-production in farm produce, that he would find little sale for his commodities in the glutted markets. But this, he should understand, is precisely what the free trader is seeking to accomplish. The "cheapness" which he advocates is not confined to cheap manufactures, but to cheap bread and vegetables as well. The policy of "cheapness" is aimed at the farmer equally with all producers. Before the American farmer should consent to the destruction of his home market, he should consider the probabilities of his finding a foreign market for his farm produce. Foreigners will only buy his products when he offers to sell them cheaper than they can purchase in the Argentine Republic, in Russia, Armenia and other parts of the world. While the

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free trader is using the argument of cheap clothing with the farmer, he is talking about cheap agricultural produce to those living on fixed incomes and the masses in the manufacturing districts. "Cheapness" is the bait which the free trader puts on all his hooks.

The United States being a debtor country, it is difficult to prevent the export of coin. Our people each year having a large sum of interest to remit to the citizens of foreign countries, from whom money has been borrowed, are required also to pay a very large amount to foreign ship owners, for freight charges, while at the same time American tourists are purchasing bills of exchange on foreign banks, all of which must be settled for, and balanced either by the shipment of commodities or precious metals. The balance of trade in commodities must necessarily, from these causes, be in our favor to a very large amount in order to prevent a constant outflow of gold. This, however, is in part compensated for, by the sale of our securities in foreign countries, for which drafts on New York are returned instead of coin. When we add to this an adverse balance of trade in commodities, the difficulties are augmented and we must suffer incalculable injury by the constant impairment of capital which, if kept at home, would find investment in domestic enterprises, and thus constantly diminish the necessity of borrowing in foreign countries, and ultimately make us financially independent of the world. A favorable balance of trade in commodities, continued for a long term of years sufficient to turn the flow of gold to our shores, would soon result in a return of our securities and we should ultimately become free from indebtedness to foreign nations. The interest account being kept at home as well, would also add yearly to our capital and wealth. If in addition to this, we should build up a merchant marine and save to our own people the vast amount, exceeding \$200,000,000 a year, which is now paid to foreign ship owners, our productive capital would still farther be increased. So it is apparent that the opulence and independence of our people are increased or diminished by the economic policy which we pursue. The adoption of free trade or low tariff must increase the difficulties of our industrial life and tend constantly to impoverish our country and degrade our labor. While on the other hand, under the time-honored policy of protection, we should continue in that career of industrial prosperity which, after thirty-two years, has placed us above all nations in Christendom in the accumulation of wealth and the material welfare of our people, and if restored would ultimately make us industrially, as well as politically, independent of the rest of the world.

HOME TRADE THE BASIS OF INDUSTRIAL PROSPERITY.

Abraham Lincoln said: "*When an American paid twenty dollars for steel rails to an English manufacturer, America had the steel and England had the twenty dollars. But when he paid twenty dollars for the steel to*

an American manufacturer, America had both the steel and the twenty dollars."

The free trade maxim "Take care of the consumer and let the producer take care of himself; don't tax the nation for the benefit of a producing class," will now be contrasted with the protectionist maxim "*whatsoever you do be sure to take care to develop the producing forces of your own country.*" The eminent economist and jurist, Sir John Barnard Byles, said:

*"A nation, whether it consumes its own products or with them purchases from abroad, can have no more value than it produces. The supreme policy of every nation, therefore, is to develop the producing forces of its own country. What are they? The working men, the land, the mines, the machinery, the water power," etc.*¹

The advocates of free trade, however, contend that foreign commodities, "are always paid for by domestic commodities, and therefore the purchase of foreign commodities encourages domestic industry as much as the purchase of domestic commodities." This proposition is presented for the purpose of showing that imports are always beneficial and not harmful to a nation; that as they increase, exports of domestic commodities must necessarily increase also; as foreign trade grows, home trade must also grow. It is from this that they measure the industrial growth and prosperity of a nation by its foreign trade. Although it has been fully demonstrated that increased imports of commodities arising from reduced duties or free trade, would not immediately be followed by corresponding exports of domestic commodities, yet if it should be conceded for the sake of argument, that for every import of commodities there would be an export of domestic commodities which would greatly augment the foreign exchanges of the United States, it may still be shown that home trade or exchanges of domestic commodities between our own people is more profitable to the nation than foreign trade.

Free trade exaggeration of the importance of foreign trade.

This proposition was announced by Adam Smith. He said:²

The capital which is employed in purchasing in one part of the country in order to sell in another the produce of the industry of that country, generally replaces by such operation two distinct capitals that had both been employed in the agriculture or manufacture of that country, and thereby enables them to continue that employment.

Adam Smith's doctrine.

. . . When *both* are the produce of domestic industry, it necessarily replaces, by every such operation, *two distinct capitals*, which had *both* been employed in supporting productive labor, and thereby enables them to continue that support. The capital which sends Scotch manufactures to London, and brings back English manufactures and corn to Edinburgh, necessarily replaces, by every such operation, *two British capitals*, which had *both* been employed in the agriculture or manufactures of Great Britain.

The capital employed in purchasing foreign goods for home consumption, when this purchase is made with the produce of domestic industry, replaces, too, by every

Sophisms of Free Trade, p. 221. ² Wealth of Nations, Book 2, Chapter 5.

such operation, two distinct capitals, *but one of them only* is employed in supporting domestic industry. The capital which sends British goods to Portugal, and brings back Portuguese goods to Great Britain, replaces by every such operation *only one British* capital. The other is a Portuguese one. Though the returns, therefore, of the foreign trade of consumption should be as quick as those of the home trade, the capital employed in it will give but one-half the encouragement to the industry or productive labor of the country.

A capital, therefore, employed in the home trade, will sometimes make twelve operations, or be sent out and returned twelve times, before a capital employed in the foreign trade of consumption has made one. If the capitals are equal, therefore, the one will give four-and-twenty times more encouragement and support to the industry of the country than the other.

"Replaced capital."

The economic principle which forms the basis of the advantage derived from the policy of protection stated by Adam Smith, was elucidated and developed by Sir John Barnard Byles, in 1849, in the following able and comprehensive discussion : ¹

What does Adam Smith mean by the expression, "*replace capital?*" It is an expression not to be passed over in haste, but well deserving to be attentively considered and analyzed.

He means that the whole value of a commodity is spent in its production, and yet reappears in the shape of the new product. That in its production there is an expenditure not of the profit merely, but of the *entire value*, and that *the whole* of that expenditure not only maintains landlords, tenants, tradesmen and workpeople, but furnishes an effective demand and market for other productions. He means that the *clear gain, the spendable revenue, the net income of the producing nation*, is increased by the *amount of the entire value of the domestic product and that the nation is so much the richer ; for while producing, it spends the entire gross value, and, nevertheless, after it has produced, it yet has the entire gross value left in another shape.*

He then goes on and says that if with British commodities you purchase British commodities you replace two British capitals ; but if with British commodities you purchase foreign commodities you replace only one British capital. That is to say, *you might have had the entire gross value of two industries to spend, and thereby also to create and sustain markets ; but you are content to have the value and the market of one industry only.*

These observations of Adam Smith, though demonstrably true, derive additional weight from the quarter from which they come. They are the admissions of the founder of the existing school of political economists, on a point of vital importance, so vital that it affects the entire theory of free trade.

At the risk, therefore, of being charged with prolixity and repetition, I venture to invite the candid and serious attention of the reader to a further consideration of this problem.

The entire price or gross value of every *home-made* article constitutes net gain, net revenue, net income to British subjects. Not a portion of the value, but the *whole value*, is resolvable into net gain, income or revenue maintaining British families, and creating or sustaining British markets. Purchase British articles with British articles and you create *two* such aggregate values and two such markets for British industry.

Change your policy—purchase foreign articles with British articles, and you now create only *one* value for your own benefit instead of creating *two*, and only *one* market for British industry instead of *two*. You lose by the change of policy the power

¹ Sophisms of Free Trade, Chapter 4.

of spending the entire value of one industry, which you might have had, as well as the other, and you lose a market for British industry to the full extent of the expenditure of that superseded industry.

A small difference in price may cause the loss, but will not compensate the nation for that loss. For example, suppose England can produce an article for £100 and can import it for £99. By importing it instead of producing it she gains £1; but though she pay for it with her own manufactures, she loses (not, indeed, by the exchange itself, but by the collapse of the suspended industry) £100 of wealth which she might have had to spend by creating the value at home; that is to say, on the balance she loses £99 which she might have had in addition by producing both commodities at home.

Nor can it be said that what the producer loses the consumer gains. The producer loses £100, the consumer gains £1. The nation, moreover, loses the markets which that superseded industry supported.

It should be borne in mind that directly and indirectly 90 per cent of the value of every commodity produced, represents labor distributed among producers from the first human effort until the product is finished. In its distribution a commodity is packed, shipped, handled and sold by labor which must be rewarded for its efforts at every step that is taken, until it is delivered to the consumer. And labor does not stop here. Effort is required to cook and prepare food for the table. To trace to the bottom the cost price of every commodity, to the consumer, we find that it constitutes net spendable income.

To bring the proposition laid down by Adam Smith more clearly to the mind of the reader, let us assume that woolen goods to the value of \$100,000,000 are made in the State of Massachusetts, which are exchanged for \$100,000,000 of the farm products of the State of Minnesota. This gives to the people of the State of Minnesota and to the people of Massachusetts each \$100,000,000 of spendable income, which is distributed among the people of these respective States, going to sustain their inhabitants and adding so much to their wealth. The cost of producing the \$100,000,000 of woolen goods in Massachusetts has been paid out and distributed among the people in their production; the same is true of the agricultural produce of the State of Minnesota. This production constitutes \$200,000,000 of net spendable income for the people of the United States. Suppose now, that the people of Minnesota accept the advice of free traders, cease buying of Massachusetts and exchange their agricultural produce for woolen goods made in Bradford, England. That this would result in depriving the State of Massachusetts of \$100,000,000 of spendable income, and add a like amount to the spendable income of the city of Bradford, there can be no question. Bradford would gain what Massachusetts had lost. Instead of the United States now having \$200,000,000 of spendable income, it has but the \$100,000,000 produced in Minnesota and there has been added to the spendable income of England the precise amount that the United States has lost (\$100,000,000). Suppose the people of Minnesota, by making this change, purchase

*Illustration
of the ad-
vantage of
home trade.*

Loss to the home producer more than offsets the gain to the consumer.

their woolen goods in Bradford at a lower price than they had formerly paid in Massachusetts, and thereby saved on the purchase \$1,000,000. While the consumers of Minnesota have saved \$1,000,000, the nation has lost \$99,000,000. But in the first place, the people of Minnesota had heretofore been selling their produce to the people of Massachusetts at better prices than the English people could afford to pay; they were selling to a home market, the best in the world, and saving transportation to a much more distant one. Now, Bradford will not buy agricultural produce of Minnesota unless it can be purchased cheaper than that of other countries. Hence, Minnesota is now offering her farm produce for sale in a glutted market of constantly declining prices, in competition with the poorest paid farm labor in the world; besides, England will not continue to purchase the farm produce of Minnesota excepting at the price level of the world, which must always be the lowest price at which similar produce can be purchased elsewhere. But whatever the price may be, if this exchange continues, a foreign market has simply been found for the produce of Minnesota. What then must become of the woolen industry of Massachusetts, which has been superseded? They can gain back the market of Minnesota which they have lost, only by reducing wages and cost of production to the level of Bradford. But this again, diminishes the spendable income of the nation, and is taken out of the earnings of labor. Unless this is done, what are the people of Massachusetts to do? In order, then, to compensate Massachusetts, the labor and capital must either be turned to the production of something besides woolen goods, or a foreign market must be found for their products. It could hardly be expected that they could find a market for their products in South America, because South America could buy cheaper in Bradford. But a market must be found for the produce of the labor and capital of Massachusetts if it remain employed, for whatever they make, either at home or in some foreign country. Hence, it follows, that when an industry already established is superseded by competing imports, that *two* new markets must be found. There must first be a market found for the farmers of Minnesota, and then there must be a market found for the woolen manufactures of Massachusetts. To say that the people of Massachusetts would find a foreign market for whatever they make, is to suppose that the foreign market is always just as large as desired, or to contend that a home market would be found, assumes that a home market is always unlimited. To assume that the capital and labor of the superseded industry of Massachusetts would find employment in some other industry, involves a dangerous uncertainty. No free trader has yet attempted to name or point out any of the industries in which the capital and labor of a superseded industry would find investment and employment. As Mr. Byles says: "Alas, this is the thing easier said than done. To find productive employment for the people is just the very thing which

is so supremely difficult as to be often pronounced impossible. It is the problem remaining for the true political economist to solve. Its solution will be an event not less brilliant and far more important to mankind than the discovery of the solar system."

But the proposition of the free trader does not stop here. While it might be possible to increase our exports of agricultural produce by \$100,000,000, yet this could not be done without glutting foreign markets. The scheme also contemplates the destruction of our silk, cotton, iron and steel, and whole manufacturing system, which if accomplished would diminish the spendable income of the nation in proportion as the foreign trade of the country increased. The proposition announced by Adam Smith has stood the test of experience and has not in the least been weakened by the ingenious assaults of free trade theorists.

This is the precise proposition presented to the people of the United States to-day. Under protection we have developed our mines, manufactures and agriculture to such an extent that 70,000,000 of people are practically supplying each others' wants through an exchange of native commodities. In 1890 the products of our factories amounted to \$9,000,000,000, and of our farms, gardens, forests and fisheries to over \$7,000,000,000, constituting a total production of over \$16,000,000,000, and yet this was not all. All of this vast sum constituted net spendable income to the American people and formed the basis upon which was carried on our vast system of transportation, our wholesale and retail trade and all the various departments of industrial and commercial activity. This formed the basis of the business transactions of the country, which have commonly been estimated by high authorities at over \$50,000,000,000 a year.

The magnitude and importance of our home trade may be illustrated by comparing the United States with the rest of the world. Our 70,000,000, or about one-twentieth of the inhabitants of the globe (which are estimated at 1,500,000,000) according to a careful estimate made by Speaker Reed, are equal as consumers—as a market for our own and the world's production—compared with the rest of the world to 700,000,000. According to Mulhall's Dictionary of Statistics, we manufacture one-third of the world's product, that is, one-half as much as all the world outside of ourselves. We use all of our manufactures or their equivalent at home. We consume one-fourth of all the sugar produced in the world, one-third of all the coffee, one-third of the iron and steel, one-quarter of the cotton, one-third of the wool, nearly one-half of all the coal, and one-half of all the tin plate. We raise twice as much cotton, and ten times as much corn as the remainder of the world put together. We produce one-third of the world's production of gold and silver. We have one-third of the world's steam power. We grant twice as many patents annually as the rest of the world. One-third the wealth daily accumulated by the whole world is acquired by the United States. While the

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debt of the rest of the world increased during the decade from 1880 to 1890 over \$1,000,000,000, the debt of the United States during the same period was reduced by exactly that amount. Chauncey M. Depew, at a speech in Buffalo, November 9, 1895, said:

The whole of the tonnage on the oceans of the world last year was about 140,000,000 tons, while the tonnage of the railways of the world, carried 100 miles, was about 1,400,000,000 of tons. There are 400,000 miles of railways in the world, of which 180,000 are in the United States. Of the 1,400,000,000 of tons, carried 100 miles last year on the railways of the world, 800,000,000 were carried on the railways of the United States. You take the 600,000,000 tons carried 100 miles from the railways of the world, outside of the United States, and then you add to it 140,000,000 carried on the ocean in the commerce of the world, upon the seas, and we still have in the 800,000,000 tons carried on the railways of the United States 60,000,000 of tons more than on all the railways of the world outside of the United States and in all the ocean commerce of the world put together.

These are the marvelous results of an immense home trade built up under the fostering and stimulating influence of the policy of protection, but more and above all this, there are more farms and homes owned by the working men of the United States to-day than are owned by all the laborers of the rest of the world combined.

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trade by
foreign.*

But let us assume again that instead of relying on this home trade we change our policy and engage in foreign trade. Assuming that of the \$16,000,000,000 of home production we transfer \$5,000,000,000 to foreign trade and exchange it for \$5,000,000,000 of competing commodities which we import from Europe. This would subtract \$5,000,000,000 of spendable income from the people of the United States and add that much to the spendable income of Europe. Although our foreign trade in exports and imports has thereby reached \$10,000,000,000 in the aggregate, yet our domestic production or spendable income would be reduced to \$11,000,000,000. But we should still have the same number of people endeavoring to live by productive industries, and struggling to underbid their neighbors for a share in the foreign trade.

The calamities which would befall our people by such change of policy are beyond description. Whatever the efforts might be on the part of those superseded to find employment in other industries, it would bring about the very result described by Malthus. War, pestilence, disease and famine would relieve from starvation those unable to survive, until emigration or death had thinned our over-populated country. This brings out more clearly the supreme importance and advantage to be derived from the development of native resources and industries. It is through a diversity of industries and pursuits that increased opportunities for employment are created and the spendable income of the masses augmented. This prevents the constant increase in population from pressing on subsistence and affords a remedy which Malthus believed could be found only in a reduced number of inhabitants.

The opportunities for employment and business enterprises through a development of domestic resources and a vast home trade, secure a wider and more equal distribution of wealth than is possible under a one-sided trade with foreign countries. The ability of laborers, artisans, mechanics, clerks, salesmen, the professional and commercial classes, to buy and own homes and accumulate property, is increased as the home trade expands. The most unequal distribution of wealth among civilized nations is found in England under the policy of free trade, where the submerged class is growing in numbers, the middle and artisan classes are being leveled down to the submerged, while the wealth is year by year, centering in the hands of the few. On the other hand, the history of nations teaches that the most equal distribution of wealth is found in those countries which have developed domestic resources and industries through protective tariffs. This is confirmed not only by the recent experience of Continental countries, but especially by the marvelous industrial development which has taken place in the United States under protection during the past third of a century, where the toiling masses are receiving the highest wages ever known, are able to purchase more with a day's work and are enjoying a degree of comfort, happiness, luxury, and accumulating property to an extent unknown in former times or in any country practicing free trade. "The rich are not growing richer and the poor poorer" where the policy of protection is pursued.

*Distribu-
tion of
wealth.*

Recent statistics in proof of this proposition have been made public by the Report on the Statistics of Labor of the State of Massachusetts for 1894 (page 296), based on the records of estates probated in that commonwealth from 1829 to 1891. It says:

The average holding in the large estates has only moderately increased during the sixty years, having risen from \$137,718 to \$167,347; while the average holding in the small estates has nearly doubled, rising from \$2604 to \$4992.

The classification placed all estates under \$50,000 among small estates and all over \$50,000 among large estates.

Not only are the average accumulations of the people of moderate estates increasing, but it is a well-known fact that a large percentage of the men who accumulate fortunes from \$50,000 to \$100,000, and even more, began life without a dollar; that one of the distinguishing features of our industrial conditions is found in the opportunities afforded to men of ambition, energy, industry, ability and genius to succeed in the various occupations and fields of enterprise. Moreover, the high wages and steady employment of mechanics and artisans, permit savings from surplus earnings which tend to increase the independence and comfort of the masses. In fact, the tendency in the United States under protection, has been to elevate and improve the material welfare of all.

Such results achieved by a people engaged in the diversity of industries of a great manufacturing and commercial country furnish the strongest

vindication of the wisdom of that fiscal policy which stimulates and fosters the combined productive industries of a nation.

CONCLUSION.

Conclusion.

The means by which the industrial development and the greatest material prosperity have been secured are as unmistakably revealed by the history of nations as any other fact in the evolution of mankind.

Man has taken up his abode on every continent, island, and in every clime. Wherever he goes he finds a storehouse of treasure awaiting the magic touch of his genius and industry. There is not a locality between the frigid zones that does not hold within itself those elements which, if properly developed, will produce inexhaustible riches, and in which the highest civilization may be attained. That spirit and enterprise which have ever animated the human race; that confidence in the bounties of nature and in his own capabilities, have impelled him to settle every country. In his development and progress he has not sought after the easy places; those where nature is most generous, those where he could satisfy his wants with the least exertion. He has not gathered about the bread tree, nor plucked only the fruits of the tropics where he could live in idleness and ease. Prompted by some great cause, stimulated by some great motive, guided by some great force, he has been obedient to the divine command, to multiply and replenish the earth and exercise dominion over every living creature and every force of nature.

With high and lofty aims and indomitable will he has risen step by step from a condition of ignorance to a high state of civilization. At first, in his weak condition, unconscious of his powers, unaided by past experience, and unable to penetrate the darkness of the future, he advanced slowly and with great difficulty. How changed to-day! With unlimited powers and opportunities the lamp of experience, which has guided his footsteps for centuries, so lights up the world about him, that the future is no longer hidden from his view. Life is no longer an inexplicable mystery. Man now is not sailing an unknown sea without chart or compass, but has discovered laws, forces, rules of individual conduct and principles for the government of society and nations which mark the shoals and breakers to be avoided. It is by a comprehension of the causes and means by which he has reached this high eminence that it becomes possible for man to move on in the same course, and to bring every creature, every country and every locality into that high state which will enable him to accomplish and fulfil his ordained destiny. Society has been slow in forming a just and proper appreciation of the importance of labor. In ancient times work was looked upon as menial, degrading and beneath the dignity of a noble citizen. Manual pursuits, in the eyes of the broad and enlightened manhood of the nineteenth century, are held in the highest esteem. The dignity of labor, the honor attached to honest toil and legitimate business enterprises, have elevated industry to a plane

of life which has destroyed caste, and raised these pursuits, whether professional or industrial, to the eminence to which they are entitled.

The marvelous industrial growth, which is to-day attracting so much attention and fills so large a place in the social life of the world, has sprung into existence within the past four centuries, and has achieved its greatest triumphs within the nineteenth century. It had its birth in western Europe; Italy, Germany, France, Belgium, Holland, Switzerland and England early became the seat of agriculture, mining, manufacturing, trade and commerce. The spirit of modern industry, which originated with these people, has been imparted to every civilized nation, and to-day the British colonies, the republics of North and South America, and also Russia, realize the benefits each nation may derive from a system of diversified industry and the development of domestic resources. Japan is taking on a new industrial life, and China is manifesting a similar awakening. If there is one spirit to-day above another which dominates the industrial vitality of all these nations, it arises from the idea that the material welfare and independence of the people of every locality can most surely be promoted and maintained by affording the largest opportunities for the masses to obtain employment in the development of all the resources of their own country. The existence of rich agricultural regions, surrounding beautiful and thriving cities, where a ready exchange of the fruits of labor can be carried on between the agriculturist and manufacturer, securing employment in diversified industries, fitted to the varied aptitudes and capabilities of all, making it possible for a contented and prosperous people to enjoy comforts and luxuries of life, is one of the chief triumphs of protective economics.

The industrial achievements of the world are the result of causes, the operation of principles and forces, which stand out prominently in the history of nations. The policies successfully pursued by prosperous commercial nations are well known. The economic policy, if it may be called a policy, of nations which are least prosperous, and whose people are in the most miserable and degraded condition, is equally well known. There are certain facts which are so prominent in the history of mankind, that they have passed beyond the realm of discussion. Neither the conversion of the world to the Christian religion, the establishment of wise ordinances of civil government, nor the industrial growth of prosperous nations, has come about by leaving man to the blind fate of chance, or by his submission to the control of that course of events called, by free trade economists, "the laws of nature." It has not been by inaction, but by aggressive exertion, that everything worth being preserved has been secured. In every instance, from the earliest time to the present, it has been by a control and direction exercised by man over man, proceeding from the combined wisdom and virtue of the people associated together in societies and governments, that every blessing has been secured.

TABLE No. 32.
Value of United States Exports and Imports of Merchandise from 1791 to 1895.

YEAR ENDING	Exports.		Total.	Imports.			Total.	Excess of	
	Domestic.	Foreign.		Free.	Dutiable.	Exports.		Imports.	
September 30,									
1791, . .	\$ 18,500,000	\$ 512,041	\$ 19,012,041				\$ 29,200,000		\$ 10,187,959
1792, . .	19,000,000	1,753,098	20,753,098				31,500,000		10,746,902
1793, . .	24,000,000	2,109,572	26,109,572				31,100,000		4,990,428
1794, . .	26,517,492	6,526,233	33,043,725				34,600,000		1,556,275
1795, . .	39,500,400	8,489,472	47,989,872				69,756,268		21,766,396
1796, . .	32,274,625	26,300,000	58,574,625				81,436,164		22,861,539
1797, . .	24,294,710	27,000,000	51,294,710				75,379,406		24,084,656
1798, . .	28,327,411	33,000,000	61,327,411				68,551,700		7,224,289
1799, . .	33,142,522	45,523,000	78,665,522				79,069,148		403,623
1800, . .	31,840,903	39,130,877	70,971,780				91,252,768		20,280,988
1801, . .	46,377,792	46,642,721	93,020,513				111,363,511		18,342,998
1802, . .	36,182,173	35,774,971	71,957,144				76,333,333		4,376,189
1803, . .	42,205,961	13,594,072	55,800,033				64,666,666		8,866,633
1804, . .	41,467,479	35,231,597	77,699,074				85,000,000		7,300,926
1805, . .	42,387,002	53,179,019	95,566,021				120,600,000		25,033,979
1806, . .	41,253,727	60,283,236	101,536,963				129,410,000		27,873,037
1807, . .	48,699,592	59,643,558	108,343,150				138,500,000		30,156,850
1808, . .	9,433,546	12,997,414	22,430,960				56,990,000		34,559,040
1809, . .	31,405,702	20,797,531	52,203,233				59,400,000		7,196,767
1810, . .	42,366,675	24,391,295	66,757,970				85,400,000		18,642,030
1811, . .	45,291,042	16,022,790	61,313,832				53,400,000	\$ 7,916,832	
1812, . .	30,032,109	8,495,127	38,527,236				77,030,000		38,502,764
1813, . .	25,008,152	2,847,865	27,856,017				22,005,000	5,851,017	
1814, . .	6,782,472	145,169	6,927,441				12,965,000		
1815, . .	45,974,403	6,583,350	52,557,753				113,041,274		6,037,559
1816, . .	64,781,896	17,138,156	81,920,052				147,103,000		60,483,521
1817, . .	68,313,500	19,358,069	87,671,569				99,250,000		65,182,948
1818, . .	73,854,437	19,426,696	93,281,133				121,750,000		11,578,431
1819, . .	50,976,838	19,165,683	70,142,521				87,125,000		28,468,867
1820, . .	51,683,640	18,008,029	69,691,669				74,450,000		16,982,479
1821, . .	43,671,894	10,924,429	54,596,323	\$ 2,017,423	\$ 52,503,411		54,520,834		4,758,331
1822, . .	49,874,079	11,476,022	61,350,101	3,928,862	75,942,833		79,871,695	75,489	18,521,594
1823, . .	47,155,408	21,170,635	68,326,043	3,950,392	68,530,979		72,481,371		4,155,328
1824, . .	50,649,500	18,322,605	68,972,105	4,183,938	67,985,234		72,169,172		3,197,067

TABLE No. 32—Continued.

YEAR ENDING	Exports.			Imports.			Excess of	
	Domestic.	Foreign.	Total.	Free.	Dutiable.	Total.	Exports.	Imports.
September 30,								
1825, ..	\$ 66,944,745	\$ 23,793,588	\$ 90,738,333	\$ 4,796,745	\$ 85,392,565	\$ 90,189,310	\$ 549,023	..
1826, ..	52,449,855	20,440,934	72,890,789	5,686,803	72,406,708	78,093,511	..	\$ 5,202,722
1827, ..	57,878,117	16,431,830	74,309,947	3,703,974	67,628,964	71,332,938	2,977,009	..
1828, ..	49,976,632	14,044,578	64,021,210	4,889,435	76,130,648	81,020,083	..	16,998,873
1829, ..	55,087,307	12,347,344	67,434,651	4,401,889	62,687,026	67,088,915	345,736	..
1830, ..	58,524,878	13,145,857	71,670,735	4,590,285	58,130,675	62,720,956	8,949,779	..
1831, ..	59,218,583	13,077,069	72,295,652	6,150,680	89,734,499	95,885,179	..	23,589,527
1832, ..	61,726,529	19,794,074	81,520,603	8,341,949	86,779,813	95,121,702	..	13,601,159
1833, ..	69,950,856	17,577,876	87,528,732	25,377,582	75,670,361	101,047,943	..	13,519,211
1834, ..	80,623,662	21,636,553	102,260,215	50,481,548	58,128,152	108,609,700	..	6,349,485
1835, ..	100,459,481	14,756,321	115,215,802	64,809,046	71,955,249	136,764,295	..	21,548,493
1836, ..	106,570,942	17,767,762	124,338,704	78,655,600	97,923,554	176,579,154	..	52,240,450
1837, ..	94,280,895	17,162,232	111,443,127	58,733,617	71,739,186	130,472,803	..	19,029,676
1838, ..	95,560,880	9,417,690	104,978,570	43,112,889	52,857,399	95,970,288	9,008,282	..
1839, ..	101,625,533	10,626,140	112,251,673	70,806,616	85,690,340	156,496,956	..	44,245,283
1840, ..	111,660,561	12,008,371	123,668,932	48,313,391	49,945,345	98,258,706	25,410,226	..
1841, ..	103,636,236	8,181,235	111,817,471	61,031,098	61,926,446	122,957,544	..	11,140,073
1842, ..	91,799,242	8,078,753	99,877,995	26,540,470	66,534,601	96,075,071	3,802,924	..
June 30,								
1843, ^a ..	77,686,354	5,139,335	82,825,689	13,254,249	29,179,215	42,433,464	40,392,225	..
1844, ..	99,531,774	6,214,058	105,745,832	18,936,452	83,668,154	102,604,666	3,141,226	..
1845, ..	98,455,330	7,584,781	106,040,111	18,077,598	95,106,724	113,184,322	..	7,144,211
1846, ..	101,718,042	7,865,206	109,583,248	20,990,007	96,924,058	117,914,085	..	8,330,817
1847, ..	150,574,844	6,166,754	156,741,598	17,651,347	104,773,002	122,424,344	34,317,249	..
1848, ..	130,203,709	7,086,806	138,190,515	16,356,319	132,282,325	148,638,644	..	10,448,129
1849, ..	131,710,081	8,641,091	140,351,172	15,726,425	125,479,774	141,206,199	..	855,027
1850, ..	148,900,233	9,475,493	144,375,726	18,811,590	155,427,936	173,509,526	..	29,133,800
1851, ..	178,620,138	10,295,121	188,915,259	19,653,084	191,118,345	210,771,429	..	21,856,170
1852, ..	154,931,147	12,053,084	166,984,231	24,187,890	183,232,508	207,440,398	..	40,456,166
1853, ..	189,869,162	13,620,120	203,489,282	27,182,152	236,655,113	263,777,295	..	60,287,983
1854, ..	215,328,300	21,715,464	237,043,764	25,760,447	272,043,347	297,803,794	..	60,760,030
1855, ..	192,751,135	26,158,368	218,909,503	36,430,524	221,378,184	257,808,708	..	38,895,205
1856, ..	266,438,051	14,781,372	281,219,423	52,764,236	257,684,236	310,432,310	..	29,242,887
1857, ..	278,906,717	14,917,047	293,823,760	54,267,597	294,160,835	348,428,342	..	54,604,582
1858, ..	251,351,033	20,660,241	272,011,274	61,044,779	202,293,875	265,338,654	8,672,620	..

^a Nine months.

TABLE NO. 33.
Exports and Imports of Gold and Silver Coin and Bullion from 1821 to 1895 (United States).

YEAR ENDING	Gold.				Silver.		
	Exports.	Imports.	Excess of		Exports.	Imports.	Excess of Exports over Imports.
			Exports over Imports.	Imports over Exports.			
September 30,							
1821, ...					\$ 10,478,059	8,064,890	
1822, ...					10,810,180	3,369,846	
1823, ...					6,372,987	5,097,896	
1824, ...					7,014,552	8,378,970	
1825, ...	\$ 315,672	\$ 529,277			8,481,383	5,621,488	
1826, ...	1,056,088	678,740			3,648,475	6,202,226	
1827, ...	1,493,777	1,110,448			6,142,391	7,040,682	
1828, ...	1,635,084	808,220			6,608,392	6,681,521	
1829, ...	1,573,258	816,666			3,350,762	6,586,946	
1830, ...	1,422,664	821,146			756,109	7,334,818	
1831, ...	2,979,529	932,029			6,035,402	6,373,916	
1832, ...	2,049,406	716,686			3,606,934	5,190,818	
1833, ...	899,505	611,852			1,722,196	6,458,516	
1834, ...	690,180	3,776,172			1,386,578	14,145,460	
1835, ...	1,355,280	2,325,196			5,122,495	10,806,251	
1836, ...	647,455	7,231,862			3,676,881	6,169,019	
1837, ...	3,213,735	2,431,814			2,762,514	8,084,600	
1838, ...	1,213,204	11,674,883			2,294,842	2,294,842	
1839, ...	4,800,768	1,164,580			3,976,075	4,430,596	
1840, ...	3,703,373	3,085,157			4,713,641	5,797,656	
1841, ...	3,589,869	1,269,449			6,444,463	3,719,184	
1842, ...	2,304,756	757,294			2,508,783	3,329,722	
June 30—							
1843, ...	407,687	17,066,437			1,113,104	5,253,898	
1844, ...	1,366,521	1,613,304			4,087,693	4,217,125	
1845, ...	3,055,425	818,850			5,551,070	3,251,392	
1846, ...	2,053,199	910,413			1,852,069	2,867,319	
1847, ...	1,037,921	21,574,931			869,103	2,546,358	
1848, ...	11,071,197	3,408,755			4,770,419	2,951,529	
1849, ...	1,972,233	4,068,647			3,432,415	2,582,593	

NOTE.—Gold and silver not separately stated in domestic exports before 1864; and likely all gold.

a Nine months.

TABLE. No. 33—Continued.

YEAR ENDING	Gold.				Silver.		
	Exports.	Imports.	Excess of		Exports.	Imports.	Excess of Exports over Imports.
			Exports over Imports.	Imports over Exports.			
June 30—							
1882, ...	\$ 32,587,880	\$ 34,377,054		\$ 1,789,174	\$ 16,829,599	\$ 8,095,336	\$ 8,734,263
1883, ...	11,600,888	17,734,149		6,133,261	20,219,445	10,755,242	9,464,203
1884, ...	41,081,957	22,831,317	\$ 18,250,640		26,051,426	14,594,945	11,456,481
1885, ...	8,477,892	26,691,696		18,213,804	33,753,633	16,550,627	17,203,006
1886, ...	42,952,191	20,743,349			29,511,219	17,850,307	11,660,912
1887, ...	9,701,187	42,910,601			26,296,504	17,260,191	9,036,313
1888, ...	18,376,234	43,934,317		33,209,414	28,037,949	15,403,669	12,634,280
1889, ...	59,952,285	10,284,858	49,667,427		36,689,248	18,678,215	18,011,033
1890, ...	17,274,491	12,943,342	4,331,149		34,873,929	21,032,984	13,840,945
1891, ...	86,352,654	18,232,567	68,130,087		22,590,988	18,026,880	4,564,108
1892, ...	50,195,327	49,699,454	495,873		32,810,559	19,955,086	12,855,473
1893, ...	108,680,844	21,174,381	87,506,463		40,737,319	23,193,252	17,544,067
1894, ...	76,978,061	72,449,119	4,528,942		50,451,265	13,286,552	37,164,713
1895, ^a	66,468,481	36,384,760	30,083,721		47,295,286	20,211,179	27,084,107

^a Includes gold and silver in ore.

TABLE NO. 34.
Table Showing Receipts of the United States from 1789 to June 30, 1895. Compiled from Government Statistics.

YEARS.	Customs.	Internal Revenue.	Direct Tax.	Public Lands.	Premiums.	Miscellaneous Receipts.	Total Net Ordinary Receipts Excluding Loans.
1789-1791,	\$ 4,399,473.09	...	...	...	...	\$ 10,478.10	\$ 4,409,951.19
1792, ...	3,443,070.85	\$ 208,942.81	...	...	...	17,946.65	3,669,960.31
1793, ...	4,255,306.56	337,705.70	...	...	...	59,910.88	4,652,923.14
1794, ...	4,801,065.28	274,089.62	...	...	...	356,749.97	5,431,904.87
1795, ...	5,588,461.26	337,755.36	...	...	...	193,117.97	6,114,534.59
1796, ...	6,597,987.94	475,289.60	...	4,836.13	...	1,372,215.98	8,377,529.65
1797, ...	7,549,649.65	575,491.45	...	83,540.60	...	480,099.29	8,688,780.99
1798, ...	7,106,061.93	644,357.95	...	11,963.11	...	216,787.81	7,900,495.80
1799, ...	6,610,449.31	779,136.44	...	...	...	157,227.56	7,546,813.31
1800, ...	9,080,932.73	809,356.55	\$ 734,223.97	443.75	...	223,752.10	10,848,749.10
1801, ...	10,750,778.93	1,048,933.43	534,343.38	167,726.06	...	444,574.15	12,935,330.95
1802, ...	12,438,235.74	621,898.89	206,565.44	188,628.02	...	1,540,465.86	14,995,793.95
1803, ...	10,479,417.61	215,179.69	71,879.20	165,675.69	...	131,945.44	11,064,097.63
1804, ...	11,098,565.33	50,941.29	50,198.44	487,526.79	...	139,075.53	11,826,397.38
1805, ...	12,936,487.04	21,747.15	21,882.91	540,193.80	...	40,382.30	13,560,693.20
1806, ...	14,667,698.17	20,101.45	55,763.86	765,245.73	...	51,121.86	15,559,931.07
1807, ...	15,845,521.61	13,051.40	34,732.56	466,163.27	...	38,550.42	16,398,019.26
1808, ...	16,363,550.38	8,190.23	19,159.21	647,939.06	...	21,822.85	17,060,661.93
1809, ...	7,257,506.62	4,034.29	7,517.31	442,252.33	...	62,162.57	7,773,473.12
1810, ...	8,583,309.31	7,430.63	12,448.68	696,548.82	...	84,476.84	9,384,214.28
1811, ...	13,313,222.73	2,295.95	7,666.66	1,040,237.53	...	59,211.22	14,422,634.09
1812, ...	8,958,777.53	4,903.06	859.22	710,427.78	...	126,165.17	9,801,132.76
1813, ...	13,224,623.25	4,755.04	3,805.52	835,655.14	...	271,871.00	14,340,409.95
1814, ...	5,998,772.08	1,662,984.82	2,219,497.36	1,135,971.09	...	164,485.60	11,181,625.16
1815, ...	7,282,942.22	4,678,059.07	2,162,673.41	1,287,959.28	\$ 32,107.64	296,824.58	15,696,916.82
1816, ...	36,306,874.88	5,124,708.31	4,253,635.09	1,717,985.03	686.09	342,447.51	47,676,985.66
1817, ...	26,283,348.49	2,678,100.77	1,834,187.04	1,991,226.06	...	580,006.52	33,099,049.74
1818, ...	17,176,385.00	955,270.20	264,333.36	2,666,564.77	...	583,030.33	21,585,171.04
1819, ...	20,283,608.76	229,593.63	83,650.78	3,274,422.78	...	732,098.42	24,603,374.37
1820, ...	15,005,612.15	106,260.53	31,586.82	1,635,871.61	40,000.00	1,061,338.44	17,840,669.55
1821, ...	13,004,447.15	69,027.63	29,349.05	1,212,966.46	...	251,589.43	14,573,379.72
1822, ...	17,589,761.94	67,665.71	20,961.56	1,803,581.54	...	750,457.19	20,232,427.94
1823, ...	19,088,433.44	34,242.17	10,337.71	916,523.10	...	491,129.84	20,540,666.26
1824, ...	17,878,325.71	34,663.37	6,201.96	984,418.15	...	477,603.60	19,381,212.79
1825, ...	20,098,713.45	25,771.35	2,330.85	1,216,090.56	...	497,951.81	21,840,858.02
1826, ...	23,341,331.77	21,599.93	6,638.76	1,393,785.09	...	497,088.66	25,260,434.21

TABLE No. 34—Continued.

YEARS.	Customs.	Internal Revenue.	Direct Tax.	Public Lands.	Premiums.	Miscellaneous Receipts.	Total Net Ordinary Receipts Excluding Loans.
1827,	\$19,712,283.29	\$ 19,885.68	\$ 2,626.90	\$ 1,495,845.26	..	\$ 1,735,722.83	\$22,066,363.96
1828,	23,205,523.64	17,451.54	2,218.81	1,018,308.75	..	520,126.49	24,763,629.23
1829,	22,681,965.91	14,502.74	11,335.05	1,517,175.13	..	602,648.55	24,827,627.38
1830,	21,922,391.39	12,100.62	16,980.59	2,329,356.14	..	563,227.77	24,844,116.51
1831,	24,224,441.77	6,933.51	10,506.01	3,210,815.48	..	1,074,124.05	28,526,820.82
1832,	28,465,237.24	11,630.65	6,791.13	2,623,381.03	..	760,410.61	31,867,450.66
1833,	29,032,508.91	2,759.00	394.12	3,967,082.55	..	945,081.67	33,948,426.25
1834,	16,214,957.15	4,196.09	19.80	4,857,600.69	..	715,161.82	21,791,935.55
1835,	19,391,310.59	10,459.48	4,263.33	14,757,600.75	..	2,266,452.95	35,430,087.10
1836,	23,409,940.53	370.00	728.79	24,877,179.86	..	2,538,576.90	59,826,796.08
1837,	11,169,290.39	5,493.84	..	6,776,236.66	..	7,001,444.59	24,954,153.04
1838,	16,158,800.36	2,467.27	..	3,739,945.66	..	6,410,348.45	26,302,561.74
1839,	23,137,924.81	2,153.32	755.22	7,301,576.40	..	979,939.86	31,482,749.61
1840,	13,499,502.17	1,682.25	..	3,411,818.63	..	2,567,112.28	19,480,115.33
1841,	14,487,216.74	3,261.36	..	1,365,627.42	..	1,004,054.75	16,860,160.27
1842,	18,187,908.76	495.00	..	1,335,797.52	..	451,995.97	19,976,197.25
1843,	7,046,843.91	103.25	..	898,158.18	\$ 71,700.83	285,895.92	8,231,001.26
1844,	26,183,570.94	1,777.34	..	2,059,939.80	666.60	1,075,419.70	29,320,707.78
1845,	27,528,112.70	3,517.12	..	2,077,022.30	..	361,453.68	29,970,105.80
1846,	26,712,667.87	2,897.26	..	2,694,452.48	..	289,950.13	26,467,493.16
1847,	23,747,864.66	375.00	..	2,498,355.20	28,365.91	220,808.30	35,698,609.21
1848,	31,757,070.96	375.00	..	3,328,642.56	37,080.00	612,610.69	39,721,077.50
1849,	28,346,738.82	..	..	1,688,959.55	487,065.48	685,379.13	43,592,888.88
1850,	39,668,686.42	..	..	1,859,894.25	10,550.00	2,064,308.21	52,592,888.88
1851,	49,017,567.92	..	..	2,352,305.30	4,264.92	1,185,166.11	59,555,039.33
1852,	47,339,326.62	..	..	2,043,239.58	..	464,249.40	49,846,815.60
1853,	58,931,865.52	..	..	1,667,084.99	..	988,081.17	61,587,031.68
1854,	64,224,190.27	..	..	8,470,798.39	..	1,105,352.74	73,800,341.40
1855,	53,025,794.21	..	..	11,497,049.07	..	827,731.40	65,350,574.68
1856,	64,022,863.50	..	..	8,917,644.93	..	1,116,190.81	74,056,699.24
1857,	63,875,905.05	..	..	3,829,486.64	..	1,259,920.88	68,965,312.57
1858,	41,789,620.96	..	..	3,513,715.87	..	1,352,029.13	46,555,365.96
1859,	49,565,824.38	..	..	1,756,687.30	709,357.72	1,454,596.24	52,777,107.92
1860,	53,187,511.87	..	..	1,778,557.71	10,008.00	1,088,530.25	56,054,599.83
1861,	39,582,125.64	..	..	870,958.54	33,630.90	1,023,515.31	41,476,299.49
1862,	49,056,397.62	..	1,795,331.73	152,203.77	68,400.00	915,327.97	51,919,261.09
1863,	69,059,642.40	37,640,787.95	1,485,103.61	167,617.17	602,345.44	3,741,794.38	112,094,945.51
1864,	102,316,152.99	109,741,134.10	475,648.96	586,333.29	21,174,101.01	30,291,701.86	243,412,971.20

TABLE No. 34—Continued.

YEARS.	Customs.	Internal Revenue.	Direct Tax.	Public Lands.	Premiums.	Miscellaneous Receipts.	Total Net Ordinary Receipts Excluding Loans.
1865.	\$ 84,928,260.60	\$209,464,215.25	\$1,200,573.03	\$ 996,553.31	\$11,683,446.89	\$25,441,556.00	\$322,031,158.19
1866.	179,046,651.58	309,226,813.42	1,974,754.12	665,031.03	38,083,055.68	29,036,314.23	519,549,564.38
1867.	176,417,810.88	266,027,537.43	4,200,233.70	1,163,575.76	27,787,330.35	15,037,522.15	462,846,679.92
1868.	164,464,599.36	191,087,589.41	1,788,445.85	1,348,715.41	29,203,629.50	17,745,403.59	376,434,453.82
1869.	180,048,426.63	158,356,460.86	765,685.61	4,020,344.34	13,755,491.12	13,997,338.65	377,188,256.09
1870.	194,538,374.44	184,899,756.49	229,102.88	3,350,481.76	15,295,643.76	12,942,118.30	395,959,833.87
1871.	206,270,468.05	143,093,153.63	580,355.37	2,388,646.68	8,892,839.95	22,093,541.21	374,431,104.94
1872.	216,370,286.77	130,642,177.72	.	2,575,714.19	9,412,637.65	15,106,051.23	364,694,229.91
1873.	188,089,522.70	113,729,314.14	315,254.51	2,882,312.38	11,560,530.89	17,161,270.05	322,177,673.78
1874.	163,103,833.69	102,409,784.90	.	1,852,428.93	5,037,665.22	32,575,043.32	299,941,090.84
1875.	157,167,722.35	110,007,493.58	.	1,413,640.17	3,979,279.69	15,431,915.31	284,020,771.41
1876.	148,071,984.61	116,700,732.03	93,798.80	1,129,466.95	4,029,280.58	24,070,602.31	290,066,584.70
1877.	130,956,493.07	118,630,407.83	.	976,233.68	405,776.58	18,031,655.46	269,000,586.62
1878.	130,170,680.20	110,581,624.74	.	1,079,743.37	317,102.30	15,614,728.09	257,763,878.70
1879.	137,250,047.70	113,561,610.58	.	924,781.06	1,505,697.49	20,585,697.49	273,827,184.46
1880.	186,522,064.60	124,009,373.92	30.85	1,016,506.60	110.00	21,978,535.01	333,526,610.98
1881.	198,159,676.02	135,264,385.51	1,516.89	2,201,863.17	.	25,154,850.98	360,782,292.57
1882.	220,410,730.25	146,497,595.45	160,141.69	4,753,140.37	.	31,703,642.52	403,525,250.28
1883.	214,706,496.93	144,720,368.98	108,156.60	7,955,864.42	.	20,796,605.02	398,287,581.95
1884.	195,067,489.76	121,586,072.51	70,720.75	9,810,795.01	.	21,984,881.89	348,519,869.92
1885.	181,471,939.34	112,498,725.54	108,239.94	5,705,986.44	.	24,014,055.06	323,690,706.38
1886.	192,905,023.44	116,805,936.48	32,892.05	5,630,999.34	.	20,989,527.86	336,439,727.06
1887.	217,286,893.13	118,823,871.22	1,565.82	9,254,286.42	.	26,005,814.84	371,403,377.66
1888.	219,019,173.63	124,206,671.98	.	11,202,017.23	.	24,674,446.10	379,266,074.76
1889.	223,822,741.69	130,881,513.92	.	8,038,651.79	.	24,297,151.44	387,050,058.84
1890.	229,668,584.57	142,606,705.81	.	6,358,272.51	.	24,447,419.74	403,080,982.63
1891.	219,522,205.23	145,686,249.44	.	4,029,535.41	.	23,374,457.23	392,612,447.31
1892.	177,452,964.15	153,971,072.57	.	3,261,875.58	.	20,251,871.94	354,937,784.24
1893.	203,355,016.73	161,027,623.93	.	1,824,898.34	.	18,254,898.34	385,819,618.78
1894.	131,818,530.62	147,111,232.81	.	1,673,637.30	.	17,118,618.52	297,722,019.25
1895.	152,158,617.00	143,421,672.00	.	1,103,347.00	.	16,706,438.00	313,390,075.00

TABLE NO. 35.
Table Showing the Expenditures of the United States from March 4, 1789, to June 30, 1895.
Compiled from Government Statistics.

YEARS.	Civil and Miscellaneous.	War.	Navy.	Indians	Pensions.	Premiums.	Interest.	Total Net Ordinary Expenditures, Excluding Interest.
1789-1791	\$1,083,971.61	\$632,804.03	.....	\$27,000.00	\$175,813.88	.....	\$1,177,863.03	\$1,919,589.52
1792	4,672,664.38	1,100,702.09	.....	13,648.85	109,243.15	.....	2,373,611.28	5,896,258.47
1793	511,451.01	1,130,249.08	.....	27,283.83	80,087.81	.....	2,097,859.17	1,749,070.73
1794	750,350.74	2,639,097.59	\$61,408.97	13,042.46	81,399.24	.....	2,752,523.04	3,545,299.00
1795	1,378,920.66	2,480,910.13	410,562.03	23,475.68	68,673.22	.....	2,947,059.06	4,362,541.72
1796	801,847.58	1,260,263.84	274,784.04	113,563.98	100,843.71	.....	3,239,347.68	2,551,393.15
1797	1,259,422.62	1,039,402.46	382,631.89	62,396.98	92,256.97	.....	3,172,516.73	2,836,110.52
1798	1,139,524.94	2,009,522.30	1,381,347.76	16,470.09	104,845.33	.....	2,955,875.90	4,651,710.42
1799	1,039,391.68	2,466,946.98	2,858,081.84	20,392.19	95,444.03	.....	2,815,651.41	6,480,166.72
1800	1,337,913.22	2,560,878.77	3,448,716.03	31.22	64,130.73	.....	3,402,601.04	7,411,369.97
1801	1,114,768.45	1,672,944.08	2,111,424.00	9,000.00	73,533.37	.....	4,411,830.06	9,981,669.90
1802	1,462,929.40	1,179,148.25	915,561.87	94,000.00	85,440.39	.....	4,239,172.16	3,737,079.91
1803	1,842,635.76	822,055.85	1,215,230.53	60,000.00	62,190.10	.....	3,949,462.36	4,002,824.24
1804	2,191,009.43	875,423.93	1,189,832.75	116,500.00	80,092.80	.....	4,185,048.74	4,452,358.91
1805	3,768,598.75	712,781.28	1,597,500.00	196,500.00	81,854.59	.....	2,657,114.22	6,357,234.62
1806	2,890,137.01	1,224,355.38	1,649,641.44	234,200.00	81,875.53	.....	3,368,968.26	6,080,209.36
1807	1,697,897.51	1,288,685.91	1,722,064.47	205,425.00	70,500.00	.....	2,557,074.23	4,984,572.89
1808	1,423,285.61	2,900,834.40	1,884,067.80	213,575.00	82,576.04	.....	2,866,074.90	6,504,338.85
1809	1,215,803.79	3,345,772.17	2,427,758.80	337,593.84	87,833.54	.....	2,866,074.90	7,414,672.14
1810	1,101,144.98	2,294,323.94	1,654,244.20	177,625.00	83,744.16	.....	3,163,671.09	5,311,082.28
1811	1,367,291.40	2,032,828.19	1,965,566.39	151,875.00	75,043.88	.....	2,585,435.57	5,592,604.86
1812	1,683,088.21	11,817,798.24	3,959,365.15	277,845.00	91,402.10	.....	2,451,272.57	17,829,498.70
1813	1,729,435.61	19,652,013.02	6,446,600.10	167,358.28	86,989.91	.....	3,599,455.22	28,082,396.92
1814	2,208,029.70	20,350,806.86	7,311,290.60	167,394.86	90,164.36	.....	4,593,239.04	30,127,686.38
1815	2,898,870.47	14,794,294.22	8,660,000.25	530,750.00	69,656.06	.....	5,990,090.24	26,953,571.00
1816	2,989,741.17	16,012,096.80	3,908,278.30	274,512.16	188,804.15	.....	7,822,923.34	23,373,432.58
1817	3,518,936.76	8,004,236.53	3,314,598.49	319,463.71	297,374.43	.....	4,536,282.55	15,454,609.92
1818	3,835,839.51	5,622,715.10	2,953,695.00	595,704.27	890,719.90	.....	6,209,954.03	13,808,673.78
1819	3,067,211.41	6,506,300.37	3,847,640.42	463,181.39	2,415,939.85	.....	5,211,730.56	16,300,273.44
1820	2,592,021.94	2,630,392.31	4,387,990.00	315,750.01	3,208,376.31	.....	5,151,004.32	13,134,530.57
1821	2,223,121.54	4,461,291.78	3,319,243.06	477,005.44	242,817.25	.....	5,126,073.79	10,723,479.07
1822	1,957,996.24	3,111,981.48	2,224,458.98	575,007.41	1,948,199.40	.....	5,172,788.79	9,827,043.51
1823	2,022,093.99	3,096,524.43	2,593,765.83	380,781.82	1,780,588.52	.....	4,922,475.40	9,784,154.59

TABLE NO. 35—Continued.

YEARS.	Civil and Miscellaneous.	War.	Navy.	Indians.	Pensions.	Premiums.	Interest.	Total Net Ordinary Expenditures, Excluding Interest.
1824	\$7,155,308.81	\$3,340,939.85	\$2,904,581.56	\$429,987.90	\$1,499,326.59	• • • • •	\$4,943,557.93	\$15,330,144.71
1825	2,748,544.89	3,659,914.18	3,049,083.86	724,106.44	1,308,810.57	• • • • •	4,366,757.40	11,490,459.94
1826	2,600,177.79	3,943,194.37	4,218,902.45	743,447.83	1,556,938.83	• • • • •	3,975,542.95	13,062,316.27
1827	2,713,476.58	3,948,977.88	4,263,877.45	750,624.88	976,138.86	• • • • •	3,486,071.51	12,653,095.65
1828	3,676,052.64	4,145,544.56	3,918,786.44	705,084.24	850,573.57	• • • • •	3,098,800.60	13,296,041.45
1829	3,082,234.65	4,724,291.07	3,308,745.47	576,344.74	949,594.47	• • • • •	2,542,843.23	12,641,210.40
1830	3,237,416.04	4,767,128.88	3,239,428.63	622,262.47	1,363,297.31	• • • • •	1,912,574.93	13,229,533.33
1831	3,064,646.10	4,841,835.55	3,856,183.07	930,738.04	1,170,665.14	• • • • •	1,373,748.74	13,864,067.90
1832	4,577,141.45	5,446,034.88	3,956,370.29	1,352,419.75	1,184,422.40	• • • • •	772,561.50	16,516,388.77
1833	5,716,245.93	6,704,019.10	3,901,356.75	1,802,980.93	4,589,152.40	• • • • •	3,903,796.87	22,713,755.11
1834	4,404,728.95	5,696,189.38	3,956,260.42	1,003,953.20	3,364,285.30	• • • • •	202,152.98	18,425,417.25
1835	4,229,698.53	5,759,156.89	3,864,939.06	1,706,444.48	1,954,711.32	• • • • •	57,863.08	17,514,950.28
1836	5,393,279.72	11,747,345.25	5,807,718.23	5,037,022.88	2,882,797.96	• • • • •	• • • • •	30,868,164.04
1837	9,893,370.27	13,682,730.80	6,646,914.53	4,348,036.19	2,672,162.45	• • • • •	• • • • •	37,242,214.24
1838	7,160,664.76	12,897,224.16	6,131,586.53	5,504,191.34	2,156,057.29	• • • • •	14,996.48	33,849,718.08
1839	5,725,990.89	8,916,995.80	6,182,294.25	2,528,917.28	3,142,750.51	• • • • •	399,833.89	26,496,948.73
1840	5,995,398.96	7,095,267.23	6,113,896.89	2,331,794.86	2,603,562.17	• • • • •	174,598.08	24,139,920.11
1841	6,490,881.45	8,801,610.24	6,001,076.97	2,514,837.12	2,388,434.51	• • • • •	284,977.55	26,196,840.29
1842	6,775,624.61	6,610,438.02	8,397,242.95	1,199,999.68	1,378,931.33	• • • • •	773,549.85	24,361,336.59
1843	3,202,713.00	2,908,671.95	3,727,711.53	578,371.60	839,041.12	• • • • •	523,583.91	11,256,508.60
1844	5,645,183.86	5,218,183.66	6,498,199.11	1,256,532.39	2,032,008.99	• • • • •	1,833,452.13	20,650,108.01
1845	5,911,760.98	5,746,291.28	6,297,177.89	1,539,351.35	2,400,788.11	• • • • •	1,040,458.18	21,895,369.61
1846	6,711,283.89	10,413,370.58	6,455,013.92	1,027,693.64	1,811,097.56	• • • • •	842,723.27	26,418,459.59
1847	6,885,608.35	35,840,030.33	7,900,635.76	1,430,411.60	1,744,083.63	• • • • •	1,119,214.72	53,801,569.37
1848	5,650,831.25	27,688,334.21	9,408,476.02	1,252,296.48	1,227,496.48	• • • • •	2,390,765.88	45,227,454.77
1849	12,885,334.24	14,558,473.26	9,786,705.92	1,374,161.55	1,328,867.64	• • • • •	3,565,535.78	39,933,542.61
1850	16,043,762.18	9,687,024.58	7,904,724.66	1,663,591.47	1,866,886.02	• • • • •	3,782,393.03	37,195,990.09
1851	17,888,992.36	12,161,965.11	8,880,581.38	2,829,801.77	1,866,886.02	• • • • •	3,696,760.75	44,054,717.66
1852	17,504,171.45	8,521,506.19	8,918,842.10	3,043,576.04	2,401,858.78	• • • • •	4,000,297.80	40,389,954.56
1853	17,463,068.01	9,910,498.49	11,067,799.53	3,880,499.12	1,756,366.20	• • • • •	420,498.64	44,078,156.35
1854	26,672,144.68	11,722,282.87	10,790,096.32	1,550,339.55	1,232,665.00	• • • • •	3,070,926.69	51,967,528.42
1855	24,090,425.43	14,648,074.07	13,327,095.11	2,772,990.78	1,477,612.33	• • • • •	2,314,464.99	56,316,197.72
1856	31,794,038.87	16,963,160.51	14,074,834.64	2,634,263.97	1,296,229.65	• • • • •	1,953,822.37	66,772,527.64
1857	28,565,498.77	19,159,150.87	12,651,694.61	4,354,418.87	1,310,380.58	• • • • •	1,593,265.23	66,041,143.70
1858	26,400,016.42	25,679,121.63	14,053,264.64	4,978,266.18	1,219,768.30	• • • • •	1,632,055.67	72,330,437.17
1859	23,797,544.40	23,154,720.53	14,690,927.90	3,490,334.53	1,222,222.71	• • • • •	2,637,649.70	66,355,950.07
1860	27,977,978.30	16,472,202.72	11,514,649.83	2,991,121.54	1,100,802.32	• • • • •	3,144,120.94	60,056,754.71

TABLE NO. 35—Continued.

YEARS.	Civil and Miscellaneous.	War.	Navy.	Indians.	Pensions.	Premiums.	Interest.	Total Net Ordinary Expenditures, Excluding Interest.
1861	\$23,327,287.69	\$23,001,530.67	\$12,387,156.52	\$2,865,481.17	\$1,034,599.73	.....	\$4,034,157.30	\$62,616,055.78
1862	21,335,862.59	389,173,562.29	42,640,353.09	2,327,948.37	852,170.47	.....	13,190,344.84	456,379,896.81
1863	23,198,382.37	603,314,411.82	63,261,235.31	3,152,032.70	1,078,513.36	.....	24,729,700.62	694,004,575.56
1864	27,572,216.87	690,391,048.66	85,704,963.74	2,629,975.97	4,985,473.91	.....	53,685,421.69	811,283,679.14
1865	42,989,383.10	1,030,690,400.06	122,617,434.07	5,059,360.97	16,347,621.34	.....	77,395,090.30	1,217,704,199.28
1866	40,613,114.17	283,154,676.06	43,285,662.00	3,295,729.32	15,605,549.88	\$1,717,900.11	133,067,724.91	385,954,731.43
1867	51,110,223.72	95,224,415.63	31,034,011.04	4,642,531.77	20,936,551.71	58,476.51	143,781,591.91	202,947,733.87
1868	53,009,867.67	123,246,648.62	25,775,502.72	4,100,682.32	23,782,368.78	10,813,349.38	140,424,045.71	229,915,088.11
1869	56,474,061.53	78,501,990.61	20,000,757.97	7,042,923.06	28,476,621.78	1,674,680.05	130,694,242.80	190,496,354.95
1870	53,237,461.56	57,655,675.40	21,780,229.87	7,042,923.15	28,340,202.17	15,996,555.60	129,235,498.00	164,421,507.15
1871	60,481,916.23	35,799,991.82	19,431,027.21	7,436,997.44	34,443,894.88	9,016,794.74	125,576,365.93	157,583,827.58
1872	60,984,757.42	35,372,157.20	21,249,809.99	7,061,728.82	28,533,402.76	6,958,266.76	117,357,839.72	153,201,856.19
1873	73,328,110.06	46,323,138.31	23,526,256.79	7,951,704.88	29,359,426.86	5,105,919.99	104,750,688.44	180,488,636.90
1874	*85,141,593.61	42,313,927.22	30,932,387.42	6,692,462.09	29,038,414.66	1,395,073.55	107,119,815.21	194,118,985.00
1875	71,070,702.98	41,120,645.98	21,497,626.27	8,384,656.82	29,456,216.22	.....	103,093,544.57	171,529,848.27
1876	73,599,661.04	38,070,888.64	18,963,309.82	5,966,558.17	28,237,395.69	.....	100,243,271.23	164,857,813.36
1877	56,252,066.60	37,082,735.90	14,959,935.36	5,277,007.22	27,963,752.27	.....	97,124,511.58	141,535,497.35
1878	53,177,703.57	32,154,147.85	17,365,301.37	4,629,280.28	27,137,019.08	.....	102,500,874.65	134,483,452.15
1879	65,741,555.49	40,423,660.73	15,125,126.84	5,206,109.08	35,121,482.39	.....	105,327,949.00	161,619,934.53
1880	54,713,529.76	38,116,916.22	13,536,084.74	5,945,457.09	56,777,174.44	2,795,320.42	95,757,575.11	171,885,382.67
1881	64,416,324.71	40,466,460.55	15,686,671.66	6,514,161.09	50,059,279.62	1,061,248.78	82,568,741.18	177,142,897.63
1882	57,219,750.98	43,570,494.19	15,032,046.26	9,736,747.40	61,345,193.95	.....	71,077,266.79	186,904,232.78
1883	68,678,022.21	48,911,382.93	15,283,437.17	7,362,590.34	66,012,573.64	.....	59,160,131.25	206,248,006.29
1884	70,920,433.70	39,429,603.36	17,292,601.44	6,475,999.26	55,429,228.06	.....	54,578,378.48	189,547,865.85
1885	87,494,258.38	42,670,578.47	16,021,079.67	6,552,494.63	56,102,267.49	.....	51,386,256.47	208,840,678.64
1886	74,166,929.85	34,324,152.74	13,907,887.74	6,099,158.17	63,404,864.03	.....	50,580,145.97	191,902,992.53
1887	85,264,825.59	38,561,025.85	15,141,126.80	6,194,522.69	75,029,101.79	.....	47,741,577.25	220,190,602.72
1888	72,952,260.80	38,522,436.11	16,926,437.65	6,249,307.87	80,288,508.77	8,270,842.46	44,715,007.47	214,938,951.20
1889	80,664,064.26	44,435,270.85	21,378,869.31	6,892,207.18	87,624,779.11	17,292,362.65	41,001,484.29	240,995,131.31
1890	110,048,167.49	44,582,838.08	22,006,206.24	6,708,046.67	106,936,855.07	20,394,224.06	36,099,284.05	261,637,202.55
1891	81,403,256.49	48,720,065.01	26,113,896.46	8,597,469.01	124,415,951.40	10,401,220.61	37,547,135.37	317,825,549.37
1892	99,841,988.61	46,895,456.30	29,174,138.58	11,150,577.67	134,583,052.79	.....	23,378,116.23	321,645,214.35
1893	88,715,501.99	49,641,773.47	30,136,084.43	13,345,347.87	159,357,557.87	.....	27,264,392.18	326,455,492.11
1894	86,235,034.36	54,567,929.85	31,701,293.79	13,451,481.52	141,177,284.96	.....	27,841,405.64	323,975,024.48
1895	93,279,730.00	51,804,759.00	28,797,796.00	9,939,754.00	141,395,229.00	.....	30,978,030.00	325,217,268.00

*In this amount is included \$15,000,000 invested under Geneva award.

TABLE NO. 36.

Table Showing the Value of Principal Articles and Classes of Merchandise Imported into the United States, for the Years 1890, 1892, 1894 and 1895, Ending June 30.

Compiled from Report of the Bureau of Statistics Treasury Department.

[Abbreviation, n. e. s.: not elsewhere specified.]

ARTICLES.	1890.	1892.	1894.	1895.
<i>Free of Duty.</i>				
Animals, n. e. s., ...	\$3,496,665	\$1,675,803	\$1,090,867	\$719,907
Articles, the growth, etc., of United States, returned, . . .	4,231,952	4,347,920	3,454,450	2,293,822
Art works, the production of American artists, ...	400,128	306,069	240,810	3,655,847
Books, maps, etc., n. e. s., ...	1,115,353	1,880,668	1,875,286	1,750,810
Chemicals, drugs and dyes, n. e. s., ...	26,814,390	31,528,331	27,433,907	30,499,135
Cocoa or cacao, crude, and leaves and shells of, ...	2,312,781	3,221,041	2,402,382	3,195,811
Coffee, ...	78,267,432	126,801,607	87,173,108	95,087,161
Cork wood or cork bark, unmanufactured, ...	1,213,876	1,368,244	985,913	1,049,073
Cotton, unmanufactured, ...	1,392,728	3,217,521	3,003,888	4,814,383
Farinaceous substances, n. e. s., ...	1,108,726	257,739	220,462	315,261
Fertilizers, ...	1,213,989	1,431,285	1,139,294	1,092,449
Fruits, including nuts, n. e. s., ...	6,867,670	9,649,578	8,891,942	5,467,883
Furs and fur skins, undressed, ...	2,165,213	3,352,429	2,461,205	3,320,053
Hair, n. e. s., ...	2,866,231	1,685,562	839,972	1,165,944
Hats, bonnets and hoods, materials for, etc., n. e. s., . . .	<i>a</i>	1,897,190	2,017,678	2,755,450
Hides and skins, other than fur skins, ...	21,881,886	26,658,133	15,838,888	26,225,124
Household and personal effects, etc., ...	2,735,099	2,921,893	2,775,982	2,242,967
India rubber and gutta percha, crude, ...	14,854,512	19,833,090	15,162,333	18,538,494
Ivory, animal, ...	848,105	893,139	374,685	769,716
Mattings for floors, etc., ...	<i>b</i>	1,637,473	1,874,977	1,638,638
Oils, n. e. s., ...	1,828,214	3,329,244	2,250,825	3,180,556
Ores, silver-bearing, ...	7,748,572	9,606,065	6,679,161	1,776,336
Paper stock, crude, ...	5,261,448	5,448,263	3,048,094	3,786,026
Silk, unmanufactured, ...	24,325,531	25,059,325	16,234,182	22,626,056
Spices, unground, ...	2,973,994	2,740,087	2,004,708	2,368,012
Sugar and molasses, u. e. s., ...	<i>c</i> 11,559,142	<i>d</i> 106,720,226	126,619,835	29,811,123
Tea, ...	12,317,493	14,373,222	14,144,243	13,171,379
Textiles, grasses or fibrous vegetable substances, n. e. s., . .	697,680	<i>e</i> 16,478,122	10,586,718	12,121,747
Tin, bars, blocks or pigs, grain or granulated, ...	6,898,909	8,667,870	5,713,300	5,713,300
Wood, unmanufactured, n. e. s., ...	4,242,085	5,569,991	5,966,472	13,597,760
Wools, hair of the camel, goat, alpaca and other like animals, and manufactures of:				
Unmanufactured—				
Clothing wools (Class 1), ...	<i>i</i>	<i>i</i>	<i>i</i>	12,713,350
Combing wools (Class 2), ...	<i>i</i>	<i>i</i>	<i>i</i>	2,504,427
Carpet and other similar wools (Class 3), ...	<i>i</i>	<i>i</i>	<i>i</i>	8,718,447
Rags, noils and wastes, ...	<i>i</i>	<i>i</i>	<i>i</i>	1,444,298
Total unmanufactured, ...	<i>i</i>	<i>i</i>	<i>i</i>	25,440,522
All other free articles, ...	14,028,835	15,442,528	12,823,269	23,043,056
Total free of duty, ...	\$265,668,629	\$457,999,658	\$379,795,536	\$363,233,795

a See "Hats, etc., dutiable."

b Included in "All other dutiable articles."

c Free of duty under reciprocity treaty with Hawaiian Islands.

d Includes all brown sugar and molasses after April 1, 1891, being free of duty under general tariff.

e Includes flax and hemp only, after October 5, 1890.

f Dutiable after July 1, 1893.

g See "Hats, etc.," free of duty.

h After October 6, 1890, free of duty.

i Dutiable.

TABLE No. 36.—Continued.

ARTICLES.	1890.	1892.	1894.	1895.
<i>Dutiable.</i>				
Animals, n. e. s., ...	\$3,270,277	\$2,575,813	\$1,310,379	\$2,017,171
Art works, n. e. s.: Painting in oil or water colors, and statuary, ...	1,796,372	2,030,599	1,484,184	187,250
Books, and other printed matter, n. e. s., ...	2,878,717	2,115,417	1,584,182	1,580,827
Breadstuffs— Barley, ...	5,629,849	1,592,040	358,744	867,743
All other, ...	404,423	3,039,408	1,622,681	1,676,809
Bristles, ...	1,286,219	1,455,058	929,231	1,242,259
Cement: Roman, Portland, etc., ...	2,172,952	3,855,572	3,265,087	3,409,937
Chemicals, drugs, dyes and medicines, n. e. s., ...	14,787,688	14,433,308	10,119,263	13,241,882
Clocks and watches, and parts of, ...	2,114,284	1,930,538	1,200,620	1,319,521
Coal, bituminous, ...	3,087,760	4,373,079	3,704,113	3,848,365
Cotton, manufactures of:				
Cloth—				
Not bleached, dyed, colored, stained, painted or printed, ...	\$129,588	\$140,001	\$95,565	\$125,816
Bleached, dyed, colored, stained, painted or printed, ...	3,373,653	4,505,666	3,385,241	5,428,243
Clothing, ready made, and other wearing apparel, not including knit goods, ...	336,655	1,261,848	1,658,778	2,766,877
Knit goods: stockings, hose, half hose, shirts, drawers, and all goods made, fashioned or shaped on knitting machines or frames, or knit by hand, ...	7,149,030	5,833,652	4,360,655	6,535,179
Laces, edgings, embroideries, insertings, neck ruffings, ruchings, trimmings, tuckings, lace window curtains, and other similar tamboured articles, ...	11,447,670	11,248,289	8,021,769	11,686,016
Thread (not on spools), yarns, warp or warp yarn, ...	934,135	664,952	326,224	658,702
All other, ...	6,577,324	4,669,433	4,498,315	5,995,792
Total cotton manufactures, ...	\$29,918,055	\$28,323,841	\$22,346,547	\$33,196,625
Earthen, stone and china ware:				
China, porcelain, parian and bisque, earthen, stone and crockery ware—				
Not decorated or ornamented, ...	\$1,217,326	\$1,894,577	\$1,258,881	\$2,053,723
Decorated or ornamented, ...	4,808,206	6,344,708	5,222,075	6,585,761
All other, ...	1,004,769	469,313	398,481	316,622
Total, ...	\$7,030,301	\$8,708,598	\$6,879,437	\$8,956,106
Fancy articles—				
Perfumeries, cosmetics, and all other toilet preparations, ...	\$423,963	\$464,855	\$427,850	\$603,730
Beads (except amber) and bead ornaments, ...	916,712	b	b	b
Dolls and other toys, ...	2,070,659	2,476,132	2,149,660	b
Fans, except palm leaf, ...	477,183	b	b	b
Feathers, ornamental, natural, ...	1,448,602	904,659	726,632	415,296
Feathers and flowers, artificial, ...	1,190,690	1,833,354	1,727,996	1,741,261
Pipes of all kinds and smokers' articles, ...	278,974	418,221	314,578	412,423
All other, ...	819,596	b	b	b
Total, ...	\$7,626,378	\$6,097,221	\$5,346,776	\$3,172,710
Fish, ...	\$3,710,382	\$4,585,450	\$4,643,746	\$4,366,591
Flax, hemp, jute, etc.—				
Unmanufactured, ...	19,844,087	2,645,972	1,576,763	1,178,334
Manufactures of—				
Bags and bagging, ...	\$1,300,795	\$1,412,399	\$1,431,683	\$322,321
Burlaps (except for bagging for cotton), ...	6,433,771	7,064,335	4,566,798	885,529
Cables, cordage and twine, ...	86,259	99,551	26,726	19,901
Yarns or threads, ...	1,521,043	641,865	469,207	512,148
All other, ...	19,079,411	17,075,067	12,735,607	18,425,527
Total manufactures, ...	\$28,421,279	\$26,293,217	\$19,230,021	\$20,165,426
Fruits, including nuts, n. e. s., ...	\$13,878,801	\$11,294,328	\$9,862,829	\$11,772,040

TABLE No. 36—Continued.

ARTICLES.	1890.	1892.	1894.	1895.
Furs, and manufactures of, ...	\$5,388,603	\$6,844,702	\$4,979,079	\$7,002,104
Glass and glassware—				
Bottles, vials, demijohns, carboys and jars, empty or filled, ...	\$912,704	\$827,761	\$506,183	\$531,804
Cylinder, crown and common window glass, unpolished, ...	1,461,736	1,674,679	1,067,787	835,730
Cylinder and crown glass, polished—				
Unsilvered, ...	74,546	158,464	22,314	61,222
Silvered, ...	1,529,401	1,549,968	786,004	782,778
Plate glass—				
Fluted, rolled or rough, ...	84,715	56,162	38,121	23,990
Cast, polished, unsilvered, ...	931,323	887,626	449,086	684,131
Cast, polished, silvered, ...	249,819	119,201	75,106	16,740
All other, ...	2,108,269	3,485,103	2,272,215	3,605,194
Total, ...	\$7,352,513	\$8,758,964	\$5,216,816	\$6,541,679
Hats, bonnets and hoods, and materials for, n. e. s., ...	\$3,398,657	g	g	g
Hay, ...	1,143,445	\$715,151	\$761,940	\$1,433,716
Hops, ...	1,053,616	883,701	484,415	599,744
Iron and steel, and manufactures of—				
Iron ore, ...	\$2,415,714	\$2,592,461	\$388,720	\$379,682
Pig iron, ...	3,682,687	1,812,675	585,988	386,555
Scrap iron and steel, fit only to be remanufactured, ...	555,813	543,882	45,967	37,202
Bar iron, rolled or hammered, ...	1,112,901	853,297	421,997	502,346
Bars, railway, of iron or steel, or in part of steel, ...	5,767	10,014	42,325	11,237
Hoops or ties for baling purposes, barrel hoops, and hoop or band iron or steel, flared, splayed or punched, ...	613,170	31,840	32,032	
Hoop, band or scroll iron or steel, ...	573,335	69,665	64,158	10,879
Ingots, blooms, slabs, billets and bars of steel, and steel in forms, n. e. s., ...	1,496,397	1,666,214	820,541	1,098,556
Sheet, plate and taggers iron or steel, ...	511,487	840,521	1,191,045	1,114,636
Tin plates,terne plates and taggers tin, ...	20,928,150	12,315,562	11,969,518	12,144,080
Wire rods of iron or steel, ...	2,390,813	1,761,776	993,802	948,032
Wire and wire rope and strand iron or steel, ...	793,454	552,624	475,083	665,451
Manufactures of, n. e. s.—				
Anvils, ...	160,412	110,000	47,805	75,467
Chains, ...	97,570	62,049	25,120	69,002
Cutlery, ...	2,532,437	1,207,020	805,799	1,854,803
Files, file blanks, rasps and floats, ...	71,850	81,554	36,800	65,594
Firearms, ...	1,388,268	647,751	122,710	458,522
Machinery, ...	2,831,264	2,891,371	1,419,512	1,629,498
Needles, ...	267,831	h	h	h
All other, ...	1,665,895	2,962,932	1,494,164	1,637,231
Total, not including ore, ...	\$41,679,501	\$28,429,747	\$20,594,366	\$22,709,091
Jewelry, manufactures of gold and silver, and precious stones, ...	\$13,541,586	\$12,972,938	\$5,342,809	\$7,511,898
Lead, and manufactures of, ...	657,658	3,653,378	6,666,865	2,488,584
Leather, and manufactures of:				
Leather—				
Band or belting and sole leather, ...	\$17,613	\$24,101	\$16,459	\$256,505
Calfskins, tanned, or tanned, dressed and japanned, ...	1,195,271	1,199,954	384,796	527,427
Skins for morocco, ...	3,644,595	3,497,879	2,484,740	3,728,255
Upper leather, dressed, and skins dressed and finished, n. e. s., ...	1,372,257	2,090,673	1,622,335	2,351,156
Total leather, ...	\$6,229,836	\$6,812,607	\$4,508,330	\$6,863,343
Manufactures of—				
Gloves, of kid or other leather, ...	\$5,501,336	\$5,830,380	\$4,412,597	\$6,463,872
All other, ...	704,908	657,334	495,218	491,823
Total manufactures, ...	\$6,206,244	\$6,487,714	\$4,907,815	\$6,955,695
Malt liquors, ...	\$1,427,608	\$1,709,960	\$1,510,767	\$1,514,845
Marble and stone, and manufactures of, ...	1,297,637	1,385,810	1,288,996	1,239,166

TABLE No. 36—Continued.

ARTICLES.	1890.	1892.	1894.	1895.
Metal, metal compositions, etc., n. e. s., ...	\$4,234,082	\$6,574,483	\$4,486,395	\$4,228,046
Musical instruments, ...	1,703,129	1,031,485	619,466	918,253
Oils, n. e. s., ...	1,531,739	1,664,720	1,699,516	1,939,090
Paints and colors, ...	1,343,457	1,372,052	980,715	1,178,207
Paper, and manufactures of, ...	2,816,860	3,342,304	2,628,351	2,863,533
Provisions, comprising meat and dairy products, ...	2,011,314	1,796,096	1,797,847	2,028,658
Rice, ...	2,042,120	2,663,350	2,017,505	3,217,132
Salt, ...	950,925	713,901	592,722	119,312
Seeds, ...	3,539,631	779,793	1,067,487	5,199,475
Silk, manufactures of—				
Clothing, ready made, and other wearing apparel, ...	\$595,344	\$2,351,797	\$1,406,699	1,813,697
Dress and piece goods, ...	10,975,087	9,892,241	9,605,863	9,774,920
Laces and embroideries, ...	3,804,374	4,351,257	2,320,224	3,946,270
Ribbons, ...	1,968,486	1,644,769	1,063,116	1,128,813
All other, ...	21,343,083	12,892,830	10,235,871	14,542,392
Total, ...	\$38,686,374	\$31,172,894	\$24,811,773	\$31,206,002
Spirits, distilled, ...	\$2,214,200	\$1,871,110	\$1,499,604	\$2,066,449
Sugar and confectionery, ...	89,734,684	c 664,072	2,279,047	47,977,604
Tin, bars, blocks, pigs, grain or granulated, ...			2,640,770	1,074,124
Tobacco—				
Leaf, ...	17,605,192	10,332,423	10,985,386	14,745,720
Manufactures of, ...	4,105,262	2,926,051	2,154,186	2,142,892
Toys, ...	2,070,659	2,476,132	2,149,660	1,889,628
Vegetables, ...	4,455,374	2,883,227	3,895,067	3,971,536
Wines, ...	8,859,956	8,944,503	6,739,478	7,183,537
Wood, n. e. s., and manufactures of, ...	12,999,831	14,276,447	12,187,601	4,216,359
Wools, hair of the camel, goat, alpaca and other like animals, and manufactures of:				
Unmanufactured—				
Clothing wools (Class 1), ...	\$3,894,760	\$9,523,773	\$1,748,359	\$622,252
Combing wools (Class 2), ...	1,905,970	1,368,654	399,875	73,154
Carpet and other similar wools (Class 3), ...	9,463,353	8,795,681	3,959,204	864,791
Total unmanufactured, ...	\$15,264,083	\$19,688,108	\$6,107,438	\$1,560,197
Manufactures of—				
Wool, carbonized, ...				\$ 16,342
Carpets and carpeting, ...	\$747,275	\$1,285,657	\$959,526	1,361,465
Clothing, ready made, and other wearing apparel, except shawls and knit goods, ...	1,840,660	1,477,452	858,827	999,492
Cloths, ...	16,140,860	12,765,044	6,756,321	16,298,169
Dress goods, women's and children's, ...	24,202,310	16,474,601	8,580,962	14,399,144
Knit fabrics, ...	1,983,033	1,162,853	1,005,899	937,999
Rags, mungo, flocks, noils, shoddy and wastes, ...	2,052,078	87,825	47,522	536,166
Shawls, ...	1,006,671	353,305	157,352	201,017
Yarns, ...	1,991,824	745,298	357,414	1,167,368
All other, ...	6,617,712	1,213,844	715,549	1,177,730
Total manufactures, ...	\$56,582,432	\$35,565,879	\$19,439,372	\$37,095,592
All other dutiable, ...	\$11,249,034	\$12,076,182	\$12,364,179	\$14,481,631
Total dutiable, ...	\$23,641,780	\$29,402,804	\$25,199,086	\$368,736,170
Total value of imports of merchandise, ...	\$789,310,409	\$827,402,462	\$654,994,622	\$731,969,965
Total value of imports of gold and silver, ...	33,976,326	69,654,540	85,735,671	44,699,254

TABLE No. 37.

Table Showing the Value of Principal Articles and Classes of Merchandise Exported from the United States, for the Years 1890, 1892, 1894 and 1895, Ending June 30.

Compiled from Report of the Bureau of Statistics Treasury Department.

ARTICLES.	1890.	1892.	1894.	1895.
Agricultural implements, . . .	\$3,859,184	\$3,794,983	\$5,027,915	\$5,413,075
Animals—				
Cattle, . . .	31,261,131	35,099,095	33,461,922	30,603,796
All other, . . .	2,376,997	1,399,126	2,250,719	5,150,249
Books, maps, engravings, and other printed matter, . . .	1,886,094	1,943,228	2,620,046	2,316,217
Breadstuffs—				
Corn and corn meal, . . .	\$ 43,554,894	\$ 42,510,421	\$ 30,981,680	\$ 15,299,611
Wheat and wheat flour, . . .	102,312,044	236,761,415	128,678,811	95,457,591
All other, . . .	9,058,989	20,091,281	7,116,738	3,847,578
Total, . . .	\$154,925,927	\$299,363,117	\$166,777,229	\$114,604,780
Carriages, horse cars, and cars for steam railroads, . . .	\$4,746,678	\$3,264,435	\$3,349,675	\$2,382,714
Chemicals, drugs, dyes and medicines, . . .	6,224,504	6,693,855	7,400,953	8,189,142
Clocks and watches, . . .	1,695,136	1,229,616	1,302,813	1,204,005
Coal, . . .	6,856,088	8,649,158	17,908,965	11,445,485
Copper—				
Ore, . . .	6,053,236	6,036,777	2,435,716	1,104,515
Manufactures of, . . .	2,349,392	7,226,392	19,697,140	14,468,703
Cotton, and manufactures of:				
Unmanufactured—				
Sea island, . . .	\$ 2,280,717	\$ 1,591,464	\$ 2,904,905	\$ 2,782,639
Other, . . .	248,688,075	256,869,777	207,964,384	202,118,351
Total, . . .	\$250,968,792	\$258,461,241	\$210,869,289	\$204,900,990
Manufactures of—				
Cloths—				
Colored, . . .	\$2,886,435	\$2,484,360	\$3,854,935	\$3,444,539
Uncolored, . . .	5,480,403	8,673,663	7,639,851	7,034,678
Wearing apparel, . . .	240,796	433,102	417,617	518,730
All other, . . .	1,391,643	1,635,152	2,369,483	2,791,863
Total manufactures, . . .	\$9,999,277	\$13,226,277	\$14,340,886	\$13,789,800
Earthen, stone and china ware—				
Earthen and stone ware, . . .	\$156,346	\$223,607	\$113,080	\$118,205
China ware, . . .	19,131	13,824	14,357	22,816
Total, . . .	\$175,477	\$237,431	\$127,437	\$141,021
Fancy articles—				
Perfumery and cosmetics, . . .	\$430,151	\$404,706	\$327,835	\$338,495
Toys, . . .	56,598	124,869	114,431	133,557
All other, . . .	558,615	a	a	a
Total, . . .	\$1,045,364	\$529,575	\$442,266	\$472,052
Fertilizers, . . .	\$1,618,681	\$2,657,120	\$5,038,445	\$5,741,262
Fish, . . .	6,040,826	4,522,763	3,492,201	4,501,830
Flax, hemp and jute, manufactures of—				
Bags, . . .	\$ 337,955	\$498,459	\$423,832	\$286,386
Cordage, . . .	1,127,678	660,493	448,187	409,781
Twine, . . .	483,827	621,479	672,957	748,526
All other, . . .	145,347	218,232	167,768	277,866
Total, . . .	\$2,094,807	\$1,998,663	\$1,712,744	\$1,722,559
Fruits, including nuts, . . .	\$4,059,547	\$6,626,145	\$2,424,239	\$4,971,791
Furs and fur skins, . . .	4,661,934	3,586,339	4,238,690	3,923,130

a Included in all others.

TABLE No. 37—Continued.

ARTICLES.	1890.	1892.	1894.	1895.
Glass and glass ware—				
Window glass, ...	\$ 8,910	\$ 10,238	\$ 19,311	\$ 11,140
All other, ...	873,767	932,064	902,761	935,241
Total, ...	\$882,677	\$942,302	\$922,072	\$946,381
Grease, grease scraps, and all soap stock, ...	\$1,506,819	\$1,298,598	\$1,380,299	\$904,071
Hay, ...	567,558	582,838	890,654	699,029
Hides and skins, other than furs, ...	1,828,635	1,223,895	3,972,494	2,310,323
Hops, ...	1,110,571	2,420,502	3,844,232	1,872,597
India rubber and gutta percha, manufactures of, ...	1,090,307	1,416,067	1,461,342	1,505,142
Instruments and apparatus for scientific purposes, ...	1,429,785	1,388,117	1,534,277	1,912,771
Iron and steel, and manufactures of—				
Iron ore, ...				\$ 6,000
Pig iron, ...	\$ 300,832	\$ 289,915	\$ 370,243	277,066
Band, hoop and scroll iron, ...	620	4,145	7,302	6,411
Bar iron, ...	65,328	80,698	133,783	143,221
Car wheels, ...	103,782	103,228	94,454	140,010
Castings, not elsewhere specified, ...	653,102	789,146	491,928	582,988
Cutlery, ...	102,851	140,865	167,732	154,410
Firearms, ...	797,564	853,628	623,624	786,903
Ingots, bars and rods of steel, ...	15,884	25,381	29,284	95,471
Locks, hinges, and other builders' hardware, ...	1,985,794	2,309,688	2,505,310	2,483,666
Machinery, not elsewhere specified, ...	8,954,776	10,229,293	10,438,069	11,493,093
Nails and spikes—				
Cut, ...	311,250	273,191	330,118	283,646
Wire, wrought, horseshoe, and all other, including tacks, ...	160,510	160,239	180,607	210,192
Plates and sheets—				
Of iron, ...	39,032	16,641	112,115	52,936
Of steel, ...	15,949	8,048	39,597	66,236
Printing presses, and parts of, ...	317,336	409,220	272,514	159,627
Railroad bars or rails—				
Of iron, ...	31,023	8,007	26,987	43,096
Of steel, ...	315,081	259,531	447,925	266,773
Saws and tools, ...	1,865,603	1,900,444	1,918,968	1,684,612
Scales and balances, ...	318,749	325,417	315,200	292,918
Sewing machines, and parts of, ...	2,793,780	3,133,992	2,347,354	2,260,139
Steam engines, and parts of—				
Fire engines, ...	9,439	6,380	14,828	9,010
Locomotive engines, ...	1,280,606	1,717,715	1,028,336	2,379,519
Stationary, ...	305,478	227,257	313,346	220,375
Boilers, and parts of engines, ...	570,915	568,485	710,219	376,328
Stoves and ranges, and parts of, ...	251,877	230,041	236,433	248,199
Wire, ...	780,222	852,659	1,074,915	1,277,479
All other manufactures of iron and steel, ...	3,194,825	3,877,676	4,988,483	5,706,668
Total iron and steel, etc., not including iron ore, ...	\$25,542,208	\$28,800,930	\$29,220,264	\$30,000,989
Jewelry, and manufactures of gold and silver, ...	\$662,759	\$1,026,188	\$851,084	\$716,844
Lead, and manufactures of, ...	184,317	166,078	638,636	215,727
Leather, and manufactures of:—				
Leather—				
Buff, grain, splits, and all finished upper leather, ...	\$4,249,110	\$3,880,475	\$5,221,205	\$5,753,278
Patent or enameled, ...	226,879	249,239	249,127	285,662
Sole, ...	6,420,134	5,783,355	6,481,257	6,919,372
All other, ...	279,028	605,094	827,356	682,241
Manufactures of—				
Boots and shoes, ...	662,974	914,974	777,354	1,010,228
Harness and saddles, ...	238,952	251,269	198,047	196,018
All other, ...	361,770	400,175	529,083	767,608
Total, ...	\$12,438,847	\$12,084,781	\$14,283,429	\$15,614,407
Malt liquors, ...	\$654,408	\$657,934	\$ 548,979	\$ 558,770
Marble and stone, and manufactures of, ...	961,316	707,536	1,054,814	885,179
Musical instruments—				
Organs, ...	\$750,583	\$772,582	\$539,278	\$640,718
Pianofortes, ...	213,369	246,425	178,822	233,043
All other, and parts of, ...	141,182	145,649	254,490	241,966
Total, ...	\$1,105,134	\$1,164,656	\$972,590	\$1,115,727

TABLE No. 37—Continued.

ARTICLES.	1890.	1892.	1894.	1895.
Naval stores, rosin, tar, turpentine, pitch, and spirits of turpentine, ...	\$7,444,446	\$7,989,933	\$6,790,948	\$7,419,773
Oil cake and oil-cake meal, ...	7,999,926	9,713,204	8,807,256	4,310,128
Oils—				
Animal, ...	1,686,643	978,688	740,223	578,445
Mineral—				
Crude, ...	6,744,235	5,101,840	4,415,915	5,161,710
Refined or manufactured, ...	44,658,854	39,704,152	37,083,891	41,498,372
Vegetable, ...	5,672,441	5,334,955	6,460,625	7,342,112
Paints and painters' colors, ...	578,103	709,857	825,987	729,706
Paper, and manufactures of—				
Paper hangings, ...	\$99,501	\$61,360	\$108,400	\$109,203
Writing paper and envelopes, ...	125,041	99,870	84,305	112,770
All other, ...	1,002,144	1,221,021	1,713,929	1,963,284
Total, ...	\$1,226,686	\$1,382,251	\$1,906,634	\$2,185,257
Paraffin and paraffin wax, ...	\$2,408,709	\$3,965,263	\$3,820,656	\$3,569,614
Provisions, comprising meat and dairy products—				
Meat products, ...	\$123,182,650	\$130,003,266	\$135,690,416	\$119,894,504
Dairy products, ...	13,081,856	10,358,893	9,580,227	6,632,857
Total, ...	\$136,264,506	\$140,362,159	\$145,270,643	\$126,527,361
Rice, ...	\$20,728	a	\$19,884	\$4,687
Salt, ...	29,073	a	52,071	39,059
Seeds, ...	2,637,888	6,252,282	7,942,221	2,849,145
Silk, manufactures of, ...	54,449	152,150	283,765	256,181
Soap, ...	1,109,017	1,063,207	1,139,722	1,092,126
Spirits, distilled, ...	1,633,110	2,401,117	56,76,936	2,991,686
Sugar and molasses, ...	3,029,413	1,935,984	2,209,411	1,991,928
Tobacco, and manufactures of:				
Unmanufactured—				
Leaf, ...	\$21,149,869	\$20,303,245	\$22,939,356	\$25,622,776
Stems and trimmings, ...	329,687	366,800	1,145,878	176,192
Manufactures of—				
Cigars, ...	97,703	83,544	51,263	42,200
Cigarettes, ...	830,817	1,018,427	1,094,340	1,180,699
All other manufactures, ...	2,947,525	2,967,409	2,704,393	2,730,266
Total, ...	\$25,355,601	\$24,739,425	\$23,849,996	\$29,752,133
Vegetables, ...	\$1,357,095	\$1,898,145	\$1,744,462	\$1,543,458
Vessels sold to foreigners, ...	104,798	257,885	99,042	94,951
Wine, ...	270,930	439,030	444,448	601,910
Wood, and manufactures of, ...	28,274,529	25,790,571	27,712,169	27,115,907
Wool, and manufactures of—				
Wool, raw, ...	33,543	30,664	90,676	484,463
Carpets, ...	\$6,702	\$9,378	\$250,006	\$161,006
Flannels and blankets, ...	40,957	24,443	38,756	49,822
Wearing apparel, ...	317,910	268,985	317,295	316,154
All other manufactures of, ...	71,910	64,931	168,523	143,244
Total manufactures, ...	\$437,479	\$367,737	\$774,580	\$670,226
All other, ...	\$13,397,213	\$14,735,754	\$20,547,820	\$28,271,188
Total value of domestic merchandise, ...	\$845,293,828	\$1,015,732,011	\$869,204,937	\$793,392,599
Total re-exports, ...	12,534,856	14,546,137	22,935,635	31,371,598
Total exports of merchandise, ...	\$857,828,684	\$1,030,278,148	\$892,140,572	\$824,964,197
Total value of exports of gold and silver, ...	52,148,420	83,005,886	127,429,326	113,358,500

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